

The Commercial & Financial Chronicle

INCLUDING

Bank and Quotation Section (Monthly)

Railway and Industrial Section (Quarterly)

State and City Section (Semi-Annually)

Street Railway Section (Three Times Yearly)

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CLEARING HOUSE RETURNS.

The following table, made up by telegraph, etc., indicates the total bank clearings of all the clearing houses of the United States for the week ending to-day, Oct. 31, have been \$1,970,374,979, against \$2,014,350,558 last week and \$1,988,283,730 the corresponding week last year.

Week ending Oct. 31.	1903.	1902.	P. Cent.
Total	\$1,970,374,979	\$2,014,350,558	-19.5
New York	982,109,768	\$1,149,788,740	-19.5
Boston	96,863,234	106,501,976	-9.3
Philadelphia	50,840,450	84,885,581	-41.2
San Francisco	17,036,036	17,344,093	-1.8
Chicago	148,836,280	185,606,416	-20.3
St. Louis	42,123,049	39,607,889	+6.3
Portland	15,629,934	11,496,451	+36.0
San Antonio, 5 days	\$1,895,908,891	\$1,538,421,439	-19.3
San Antonio, 5 days	302,049,681	275,104,613	+9.8
Total of cities, 5 days	\$1,627,258,452	\$1,813,526,052	-10.3
San Antonio, 1 day	342,016,427	423,907,673	-19.1
Total all cities for week	\$1,970,374,979	\$2,237,433,725	-11.5

The full details for the week covered by the above will be given next Saturday. We cannot furnish them to-day, clearing houses being made up by the clearing houses at noon on Saturday and hence in the above the last day of the week has to be an estimate, as we go to press Friday night.

We present below our usual detailed figures for the previous week, covering the returns for the period ending with Saturday, Oct. 24, and the results for the corresponding week in 1902, 1901 and 1900 are also given. Contrasted with the week of 1902 the total for the whole country shows a loss of 1.5 per cent. Outside of New York the increase over 1902 is 7.7 per cent.

Week ending October 24.	1903.	1902.	Inc. or Dec.	1901.	1900.
Total	\$1,970,374,979	\$1,907,349,424	+3.5	\$1,938,090,364	\$1,411,687,520
New York	982,109,768	1,149,788,740	-15.4	1,149,788,740	1,149,788,740
Boston	96,863,234	106,501,976	-9.3	106,501,976	106,501,976
Philadelphia	50,840,450	84,885,581	-41.2	84,885,581	84,885,581
San Francisco	17,036,036	17,344,093	-1.8	17,344,093	17,344,093
Chicago	148,836,280	185,606,416	-20.3	185,606,416	185,606,416
St. Louis	42,123,049	39,607,889	+6.3	39,607,889	39,607,889
Portland	15,629,934	11,496,451	+36.0	11,496,451	11,496,451
San Antonio, 5 days	\$1,895,908,891	\$1,538,421,439	-19.3	\$1,538,421,439	\$1,538,421,439
San Antonio, 5 days	302,049,681	275,104,613	+9.8	275,104,613	275,104,613
Total of cities, 5 days	\$1,627,258,452	\$1,813,526,052	-10.3	\$1,813,526,052	\$1,813,526,052
San Antonio, 1 day	342,016,427	423,907,673	-19.1	423,907,673	423,907,673
Total all cities for week	\$1,970,374,979	\$2,237,433,725	-11.5	\$2,237,433,725	\$2,237,433,725

Clearings at—

	1903.	1902.	Inc. or Dec.	1901.	1900.
Boston	127,199,585	134,093,855	-5.1	134,093,855	118,658,864
Providence	11,532,900	9,617,700	+20.4	9,617,700	8,522,400
Hartford	9,721,990	2,503,610	+8.7	2,503,610	2,029,702
New Haven	1,652,901	1,627,019	+1.6	1,627,019	1,894,490
Worcester	1,297,251	1,336,880	-3.0	1,336,880	1,385,740
Springfield	1,378,092	1,530,449	-9.9	1,530,449	1,176,681
Portland	1,447,087	1,504,817	-3.8	1,504,817	1,091,803
Fall River	915,566	1,172,302	-21.7	1,172,302	1,281,265
Jewell	535,353	494,318	+8.3	494,318	729,270
New Bedford	686,201	650,342	+5.5	650,342	387,889
Holyoke	450,759	350,909	+28.4	350,909	300,000
Total New England	149,570,595	155,612,191	-3.7	155,612,191	136,795,135
Chicago	185,537,865	169,994,486	+9.2	169,994,486	112,633,231
Cincinnati	20,025,600	17,324,000	+15.3	17,324,000	18,671,650
Cleveland	15,543,333	14,513,346	+7.1	14,513,346	10,961,825
Detroit	10,089,087	8,880,861	+13.6	8,880,861	7,522,900
Milwaukee	8,900,722	7,526,885	+18.3	7,526,885	6,985,860
Indianapolis	5,480,166	5,758,548	-5.3	5,758,548	5,027,533
Columbus	4,340,100	4,150,000	+4.7	4,150,000	2,488,550
Toledo	3,466,997	3,108,493	+11.5	3,108,493	2,190,608
Peoria	3,051,791	3,006,607	+1.5	3,006,607	2,475,878
Grand Rapids	1,754,083	1,804,000	-2.8	1,804,000	1,151,260
Rockford	1,857,554	1,684,046	+9.7	1,684,046	1,083,516
Evansville	1,353,464	991,175	+36.5	991,175	781,381
Akron	734,000	677,000	+8.4	677,000	611,200
Springfield, Ill.	807,506	686,442	+17.5	686,442	425,000
Youngstown	650,569	638,584	+1.9	638,584	396,678
Kalamazoo	651,714	547,824	+19.0	547,824	396,677
Lexington	547,000	521,394	+4.6	521,394	430,000
Canton	558,396	444,678	+25.3	444,678	308,747
Rockford	478,486	461,395	+3.7	461,395	396,311
Springfield, O.	371,764	326,129	+14.0	326,129	270,197
Bloomington	383,695	294,577	+30.3	294,577	200,119
Quincy	318,573	286,344	+11.3	286,344	186,465
Decatur	317,960	251,081	+25.5	251,081	141,000
Mansfield	227,265	172,929	+31.5	172,929	50,000
Jacksonville	313,034	181,500	+72.7	181,500	123,719
Jackson	150,000	145,000	+3.4	145,000	130,000
Ann Arbor	88,352	78,298	+12.8	78,298	74,000
Total Mid. Western	270,855,832	240,830,267	+12.5	240,830,267	167,700,567
San Francisco	26,887,030	26,191,237	+2.7	26,191,237	20,260,361
Los Angeles	5,708,923	4,377,089	+31.3	4,377,089	3,103,022
Seattle	4,847,783	4,336,381	+11.8	4,336,381	2,923,581
Salt Lake City	3,541,416	3,541,416	-0.0	3,541,416	2,910,000
Portland	3,704,874	4,013,457	-8.2	4,013,457	2,422,917
Spokane	2,440,999	2,054,368	+18.8	2,054,368	1,041,960
Tacoma	2,135,844	2,066,431	+3.4	2,066,431	1,046,000
Helena	598,682	420,519	+42.4	420,519	1,481,310
Butte	752,070	690,453	+9.0	690,453	319,969
Sioux Falls	307,054	244,446	+25.0	244,446	78,718
Total Pacific	50,434,978	49,380,039	+2.1	49,380,039	38,387,079
Kansas City	26,084,538	23,344,040	+11.8	23,344,040	17,427,661
Minneapolis	17,384,438	19,016,413	-7.7	19,016,413	15,316,483
Omaha	8,150,213	7,070,719	+15.4	7,070,719	6,310,767
St. Paul	6,701,718	7,161,238	-6.7	7,161,238	4,914,556
St. Joseph	4,365,069	4,587,522	-5.1	4,587,522	3,490,159
Denver	5,000,000	5,138,788	-2.7	5,138,788	4,446,977
Richmond	2,275,248	1,807,111	+27.1	1,807,111	1,553,086
Sioux City	1,395,797	1,444,120	-3.4	1,444,120	1,334,874
Topeka	1,651,280	1,537,949	+7.7	1,537,949	992,779
Davenport	1,004,400	900,366	+11.1	900,366	771,279
Colorado Springs	680,478	650,000	+4.6	650,000	443,658
Colorado Springs	335,107	514,659	-34.9	514,659	795,413
Fremont	145,374	178,349	-18.5	178,349	120,442
Total other West'n	75,734,312	74,471,604	+1.7	74,471,604	58,309,336
St. Louis	49,990,147	48,999,916	+2.0	48,999,916	39,990,770
New Orleans	17,323,843	14,014,478	+23.6	14,014,478	12,007,267
Louisville	9,031,474	9,102,360	-0.8	9,102,360	7,741,749
Houston	9,900,000	9,205,799	+7.6	9,205,799	7,229,001
Galveston	5,932,500	4,738,500	+25.3	4,738,500	4,251,000
Richmond	4,100,000	4,044,382	+1.4	4,044,382	3,078,788
Savannah	3,386,790	4,273,517	-20.7	4,273,517	3,333,349
Memphis	5,943,893	5,332,932	+11.3	5,332,932	4,313,003
Atlanta	3,435,105	3,283,096	+4.6	3,283,096	2,978,778
Nashville	2,433,006	2,433,006	-0.0	2,433,006	1,598,327
Norfolk	1,083,230	1,064,983	+1.7	1,064,983	1,426,617
Fort Worth	1,080,159	1,006,984	+7.3	1,006,984	1,189,090
Birmingham	1,139,879	1,339,201	-15.6	1,339,201	914,363
Knoxville	1,765,421	989,571	+77.7	989,571	655,504
Augusta	2,357,305	2,785,216	-18.3	2,785,216	1,917,015
Little Rock	1,133,867	1,204,144	-6.3	1,204,144	705,038
Macon	1,131,000	1,123,000	+0.7	1,123,000	772,000
Chattanooga	708,408	650,000	+9.1	650,000	416,584
Beaumont	400,000	451,700	-12.9	451,700	406,586
Jacksonville	689,948	295,034	+133.9	295,034	109,458
Charleston	1,410,100	Not included	d in to tal.	Not included	Not included
Guthrie	176,037	Not included	d in to tal.	Not included	Not included
Total Southern	180,186,037	116,118,961	+57.7	116,118,961	80,377,431
Total all	2,014,850,556	2,454,343,982	-17.9	2,454,343,982	1,783,555,404
Outside New York	878,615,338	847,093,558	+3.7	847,093,558	641,867,894
CANADA—					
Montreal	25,521,408	25,092,092	+1.7	25,092,092	15,360,116
Toronto	10,541,149	10,053,908	+4.9	10,053,908	10,784,131
Winnipeg	6,080,707	5,398,967	+12.7	5,398,967	3,303,910
Halifax	1,799,546	1,489,700	+20.8	1,489,700	1,628,437
Ottawa	1,503,246	1,402,901	+7.1	1,402,901	1,876,702
Quebec	2,047,063	1,501,584	+36.7	1,501,584	1,477,536
Vancouver	1,084,841	1,384,639	-20.9	1,384,639	1,107,166
Hamilton	1,176,389	948,334	+23.9	948,334	673,187
St. John	1,157,968	1,007,064	+15.0	1,007,064	811,511
London	851,813	785,013	+8.8	785,013	678,200
Victoria	694,343	655,486	+5.9	655,486	678,200
Total Canada	60,688,121	56,704,865	+7.0	56,704,865	38,499,186

THE BANKERS' AND TRUST SECTION.

In our BANKERS' AND TRUST SECTION to-day, a copy of which is sent to every subscriber of the CHRONICLE, we present to our readers a complete report of the proceedings of the annual convention of the American Bankers' Association held last week at San Francisco.

THE FINANCIAL SITUATION.

One of the most inexcusable and pernicious transactions which have attended the current raid on Stock Exchange values has been the discredit cast upon the St. Louis trust companies and the run on them this week it has resulted in. There is no derangement in financial affairs so easy to bring about as the unsettling of confidence in banks and trust companies. They are large holders of deposits for which as a rule they pay interest; hence to make their dividends they must keep those deposits in active employment. It is consequently not feasible for even the strongest of such institutions to convert their assets into cash and pay off those deposits on any given day. This being the situation, all any one, whose heart is set on evil, has to do to create a panic among depositors of such an institution is to suggest a weakness and some plausible reason in support of its truth. The St. Louis trust companies were most fitly situated for a raid of that character. The city is on the eve of a fair, and, as every one knows, large enterprises have been entered upon by the city and its people in preparation for the event. Any party desiring to work depositors up to a point of frenzy needed only to start the story that the trust companies were not sound and cite the fair and its enterprises as the cause of the involvement to produce the panic which occurred.

Some writers are explaining this episode in St. Louis as if it was a natural one—a development of real weakness, a step in the liquidation which has been in progress. It is nothing of that sort. The short-lived feature of the run goes far of itself to disprove the supposition; besides, not a single fact has been disclosed which in any degree supports that theory. On the other hand, just such attacks can produce actual unsoundness in an institution or in a firm previously in perfect health. Indeed it would be an extremely interesting and instructive study to sift the failures that have occurred during the last three months and note the very large percentage of them which has been the product of bear attacks and not caused by any inherent weakness in the victims. Is it not time to stop calling these artificial and unnatural liquidations natural—that is, claiming or assuming that they are due to inherent rottenness?

Making money at the expense of the character and solvency of other individuals and firms is bad enough in any case, but it becomes immeasurably worse, because quite unlimited in scope, when it takes the form of a predatory incursion, preying upon the diverse financial interests of large cities and communities. Not long since the standing of many of the highest of our banking firms and syndicates was assailed by these same parties with the object of creating a suspicion of instability, and so breaking the Wall Street market. Those bankers and the enterprises they stimulate are the real instruments of the country's progress, and are interwoven with and stand under

our industrial structure. Of course, being such, it is plain to the reader that while the whole business fabric was being pulled down over their heads, their involvement was in some measure a possible event. Had such a calamity been forced in any degree on this occasion, what suffering it would have brought to the country! In those days discredit filled the very air and hence the attack was successful so far as the market was concerned; it broke badly, but the bankers were strong enough to wholly disregard the authors of the attack and down the rumors by merely the potency of silence. Let it be remembered, however, that comparatively few firms and individuals have the resources to carry them through so prolonged and severe an attack.

One of the ramifications of the St. Louis affair has been a sharp and sudden rise in the New York money market and that in turn has been followed by a material fall in the rates for foreign exchange. In other words, industrial interests in St. Louis being disturbed by the withdrawal of deposits, such closeness exists between the related parts of the world's money markets that a responsive throb was at once felt in New York and even in London. So far as the strain produced on the section attacked was of casual origin, and not attributable to infirmity, relief in the form of a movement of capital to the endangered district must be the speedy upshot. In conformity with this natural restorative process, New York has shipped to the West and Southwest since the run started probably over \$12,000,000, some of it no doubt for crop purposes, but much the larger portion to St. Louis, and to other points in the Middle West jeopardized or scared into fortifying their reserves by this bear attack. Call money has in this way been forced up to 4 and 5 per cent, and the enigma now is, what is to happen next? New York must have relief. As already said, foreign exchange has fallen to very near the gold-import point. Whether we will get the metal from Europe at this time is questionable. Should the monetary strain here not be further increased by later developments, probably gold will not at present be shipped to New York from Europe. Some imports from Australia are likely; but neither London nor Paris nor Berlin has any gold to spare, and the claim is that they would all resist a movement of that character.

There are one or two conditions which the investigator as to the future of the New York money market ought not to overlook. We do not pretend to know anything more about future events than any one else. Our province is facts; and it is merely present conditions or facts compared with the same conditions or facts a year ago that we would call attention to. What we have in mind is that crops are abnormally late this year, and that the demand for money to move them must also be abnormally late. Again, the price of middling upland cotton in New York to-day is 10-50 cents per pound, against 8-65 cents a year ago, or 1-85 cents higher; that difference would make the market value of a 500-lb. bale \$9 35 more than a year ago; or say the crop only equals last year's crop, the total money requirement to pay for it would be \$98,514,515 greater than was required to pay for the 1902 crop. Of course we cannot make any estimate as to the increased supplies of currency that greater values will call for. All we can say is, that

differences have got to be reckoned with if one would make a correct estimate of the future flow of money to move the crops. Many think that the currency which has been drawn away to relieve St. Louis will have served its purpose and be on the return in two or three weeks. That is a guess which we cannot confirm or deny. Alongside of it might be placed an assumption that the bear party, being still short of stocks, will soon be at their work again, and perhaps provide a scare for the disturbance of the institutions of some other trade centre.

Evidence that the tone in financial circles has distinctly improved is becoming daily more apparent. The most striking development the last two or three weeks has been the growing investment demand for bonds. Bond houses agree in saying that this demand has been the best witnessed since last spring. The inquiry has extended to all classes of bonds—not merely to gilt edged issues, such as savings banks are allowed to take, but to issues yielding as much as 5 and 6 per cent on the investment. Buyers seemed to recognize that a combination of adverse circumstances had brought prices down to unusually low figures, and that there was nothing intrinsically wrong with the securities themselves. It is to be borne in mind that dealings in bonds on the New York Stock Exchange constitute only a small part of the transactions taking place from day to day. The business done over the counters of banking houses is of larger proportions, except when disturbed for special reasons. Recently this business has reflected the revival of confidence which has now become so pronounced that it is attracting notice everywhere.

As one indication of what is going on, we may refer to the experience of Messrs. Redmond, Kerr & Co. of this city. This house was among the first to note the change, and in a circular issued early the present month presented a list of bonds of different classes which at the then ruling prices appeared unusually attractive. Four days after the issue of that circular they had to get out another, as in the interval prices had risen 3 to 4 points. The demand has been so active that it seems to have actually exhausted the floating supply of many issues of bonds. Evidence of the improved tone prevailing in financial circles is also found in the announcement which has come this week that Messrs. Kuhn, Loeb & Co. have purchased 10 million dollars of Long Island R.R. 4 per cent bonds and also 10 million dollars of Philadelphia Washington & Baltimore bonds, and that subscriptions to the syndicate formed to place the bonds exceeded the amounts of the issues. The Long Island R.R. bonds are to be issued in connection with the work of building the tunnel under the East River and the Philadelphia Washington & Baltimore bonds will also be for the purpose of carrying on improvements—chiefly the new depot and terminals to be provided at Washington. All these are good signs.

There was no change in official rates of discount by any of the European banks this week; compared with last week the unofficial, or open market, rate at London was a shade firmer, while rates at Berlin and Frankfurt were easier. Quite unexpectedly, considering the large outward movements of money as indicated by the preliminary estimates, the statement of the New York Associated Banks last week showed the surprisingly small net decrease in cash reserve of

only \$3,000. The detailed return in part accounted for this discrepancy between the estimated and the actual loss, one of the largest banks showing a decrease of \$4,174,300, while two of the institutions gained together \$3,973,600. The deposits decreased \$2,056,800, and the required reserve was thereby reduced \$514,300. Deducting therefrom the loss of cash, as above, left \$511,300 as the increase in surplus reserve, making this item \$17,944,450. Computed upon the basis of deposits less those of \$37,200,400 of public funds, the surplus is \$27,244,550. Loans were decreased \$1,166,500.

This week's bank statement should reflect (besides other interior movements direct by the banks) the transfer hence through the Sub-Treasury of \$6,625,000 to the interior. Of this amount \$3,425,000 was sent to St. Louis, the greater part of which was in response to urgent demands for currency for the purpose of reinforcing the reserves of banking institutions at that centre which were engaged in meeting runs upon them by their depositors. Part of this money was required by other banking concerns in that city that were apprehensive lest the excitement might cause runs upon their banks. There were likewise transfers through the Sub-Treasury of \$1,550,000 to New Orleans and of \$1,650,000 to Chicago, both of which amounts are included in the above total of Sub-Treasury transfers; these last-mentioned movements were, however, probably in the main caused by activity in the cotton and the grain movement. The exchanges of refundable bonds for the 3 per cent consols have thus far amounted to \$7,754,650 and the redemptions of 5 per cent bonds of 1904 to \$9,260,300.

Money on call was firmer this week, influenced by the above-noted large withdrawals of currency for transfer to the interior through the Sub-Treasury and also by reports of other considerable sums shipped directly by the banks, and it was regarded as probable that these losses would cause an important reduction in the cash reserves, thus making an unfavorable bank return. Bankers' balances loaned on the Stock Exchange during the week at 5 per cent and at 2½ per cent, averaging about 4 per cent. On Monday loans were at 4 per cent and at 2½ per cent, with the bulk of the business at 2½ per cent. On Tuesday transactions were at 3 per cent and at 2½ per cent, with the majority at 2½ per cent. On Wednesday, in consequence of the large withdrawals of money for transfer to St. Louis on the previous day, loans were made at 5 per cent; the lowest rate was 2½ per cent and the bulk of the business was at 4 per cent. On Thursday transactions were at 5 per cent and at 3½ per cent, with the majority at 4½ per cent. On Friday loans were at 5 per cent and at 4 per cent, with the bulk of the business at 4½ per cent. Time contracts were firm, with small offerings and a light demand. Quotations on good mixed Stock Exchange collateral were 5 per cent for all periods for from sixty days to six months; but no transactions were reported. Borrowers are indisposed to make contracts for the shorter date, and it is expected that early in the new year offerings will be abundant and then loans can probably be effected on more favorable terms for later maturities. Commercial paper is quoted nominally at 5½@6 per cent for sixty to ninety day endorsed bills receivable and also for prime four to six months single names, and

6@6½ per cent for good paper of this class. No business is done with local institutions, and only a moderate amount, at 6 per cent as the minimum, with Eastern buyers.

The Bank of England minimum rate of discount remains unchanged at 4 per cent. The cable reports discounts of sixty to ninety-day bank bills in London 3½@4 per cent. The open market rate at Paris is 2½ per cent and at Berlin and Frankfurt it is 3½@3¾ per cent. According to our special cable from London, the Bank of England gained £787,500 bullion during the week and held £33,418,770 at the close of the week. Our correspondent further advises us that the gain was due to receipts of £663,000, of which £500,000 from Bombay and £133,000 bought in the open market, to exports of £135,000, of which £100,000 to Egypt and £35,000 to South America, and to receipts of £260,000 net from the interior of Great Britain.

The foreign exchange market fell off sharply this week to the lowest rates of the year, influenced chiefly by dearer money in New York, which tended greatly to restrict the inquiry, bankers employing their balances in the loan market in preference to buying bills. There was also a good supply of commercial drafts against cotton and grain, there being a free export movement of both these staples, the former stimulated by large purchases by English spinners and the latter by a general European demand. Security bills were offered in considerable volume, and announcement was made of the purchase by the banking house of Kuhn, Loeb & Co. of two blocks of \$10,000,000 each of 4 per cent bonds, guaranteed by the Pennsylvania Railroad Co.; this transaction was claimed to have had a sentimental influence on the exchange market, based on the assumption that the greater part of these issues would be placed abroad, thus providing large amounts of exchange. Continental bills declined in sympathy with the fall in sterling, and the whole market was quite weak on Thursday. The Assay Office paid \$901,141 40 for domestic bullion. Gold received at the Custom House during the week, \$19,370.

Nominal quotations for sterling exchange are 4 82½ @ 4 83 for sixty-day and 4 86@4 86½ for sight. On Monday rates for actual business were 10 points lower all around, compared with those at the close on Friday of last week, at 4 823@4 8240 for long, 4 8560 @ 4 8570 for short and 4 8610@4 8625 for cables. On Tuesday the market was less active, though generally heavy, and while long was unchanged, short fell 10 points to 4 855@4 8565 and cables 5 points to 4 8605 @ 4 8615. On Wednesday the market was weak, at a decline of 20 points for long and short, to 4 8210@4 8220 for the former and to 4 8530@4 8540 for the latter; cables were 15 points lower, at 4 859@4 86. On Thursday there was a sharp drop all around. Long fell 35 points to 4 8175@4 82, short 30 points to 4 86 @ 4 8615 and cables 40 points to 4 8550@4 8565. The tone was firmer at the opening on Friday, but later it grew weak, and closed at a decline of 10 points for long and of 5 points for short and cables. The market closed at 4 8160@4 8175 for long, 4 8495@4 8510 for short and 4 8550@4 8560 for cables. Commercial on banks 4 8140@4 8150 and documents for payment 4 81½@4 81¾. Cotton for payment 4 8½ @ 4 86½ cotton for acceptance 4 8140@4 8150 and grain for payment 4 81½@4 81¾.

	For Oct. 23	Mon. Oct. 24	Tues. Oct. 25	Wed. Oct. 26	Thurs. Oct. 27	Fri. Oct. 28
Brown Bros....	60 days 4 83	88	88	88	88	88
	Sight 4 86½	88½	88½	88½	88½	88½
Saring.....	60 days 4 83	88	88	88	88	88
	Sight 4 86½	88½	88½	88½	88½	88½
Morgan & Co.....	60 days 4 83	88	88	88	88	88
	Sight 4 86½	88½	88½	88½	88½	88½
Bank British	60 days 4 83	88	88	88	88	88
No. American..	Sight 4 86½	88½	88½	88½	88½	88½
Bank of Montreal.....	60 days 4 83	88	88	88	88	88
	Sight 4 86½	88½	88½	88½	88½	88½
Canadian Bank	60 days 4 83	88	88	88	88	88
of Commerce..	Sight 4 86½	88½	88½	88½	88½	88½
Heidelberg, Lk..	60 days 4 83	88	88	88	88	88
of Commerce..	Sight 4 86½	88½	88½	88½	88½	88½
Heidelberg, Lk..	60 days 4 83	88	88	88	88	88
of Commerce..	Sight 4 86½	88½	88½	88½	88½	88½
Lasard Freres..	60 days 4 83	88	88	88	88	88
	Sight 4 86½	88½	88½	88½	88½	88½
Merchants' Bk.	60 days 4 83	88	88	88	88	88
of Canada..	Sight 4 87	87	87	87	87	87

The following gives the week's movement of money to and from the interior by the New York banks.

Week ending October 30, 1908.	Received by N. Y. Banks	Shipped by N. Y. Banks	Net Interior Movement
Currency	\$2,474,000	\$6,945,007	Loss \$4,471,007
Gold.....	1,021,000	8,463,000	Loss 7,442,000
Total gold and legal tenders.....	\$4,005,000	\$15,408,007	Loss 11,403,007

With the Sub-Treasury operations the result is as follows.

Week ending October 30, 1908.	Into Banks	Out of Banks	Net Change Bank Holding
Banks interior movement, as above	\$4,005,000	\$18,407,000	Loss \$14,402,000
Sub-Treasury operations.....	21,200,000	\$2,700,000	Loss 18,500,000
Total gold and legal tenders.....	\$25,205,000	\$21,107,000	Loss 4,098,000

The following table indicates the amount of bullion in the principal European banks.

Bank of	October 19, 1908.			October 30, 1908.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England.....	\$3,413,770		\$3,413,770	\$4,091,514		\$4,091,514
France.....	\$9,714,227	\$4,180,821	\$13,895,048	\$10,148,609	\$4,351,840	\$14,500,449
Germany.....	\$5,409,000	\$12,032,000	\$17,441,000	\$1,812,000	\$11,268,000	\$13,080,000
Russia.....	\$7,477,000	\$7,990,000	\$15,467,000	\$7,150,000	\$6,887,000	\$14,037,000
Aust-Hungary.....	\$6,186,000	\$13,225,000	\$19,411,000	\$5,510,000	\$12,225,000	\$17,735,000
Spain.....	\$4,520,000	\$19,944,000	\$24,464,000	\$4,500,000	\$19,400,000	\$23,900,000
Italy.....	\$9,488,000	\$2,403,800	\$11,891,800	\$10,298,000	\$2,043,400	\$12,341,400
Netherlands.....	\$4,061,400	\$2,337,900	\$6,399,300	\$4,061,400	\$2,337,900	\$6,399,300
Nat. Belg'm.....	\$2,344,767	\$1,612,833	\$3,957,600	\$2,109,677	\$1,544,800	\$3,654,477
Total this week	\$31,551,594	\$10,364,214	\$41,915,808	\$32,174,171	\$14,708,000	\$46,882,171
Total prev. week	\$31,119,162	\$10,514,000	\$41,633,162	\$32,376,936	\$15,054,119	\$47,431,055

The division (between gold and silver) given in our table of gold and bullion in the Bank of Germany and the Bank of Belgium is made from the best estimate we are able to obtain; in neither case is it claimed to be accurate, as those banks make no distinction in their weekly returns, merely reporting the total gold and silver, but we believe the division we make is a close approximation.

† The Austro-Hungarian Bank Statement is now issued in Kronen and Schilling instead of Gulden and Kreuzer. The reduction of the former currency to sterling was by considering the Gulden to have the value of 30 cents. As the Krone has really no greater value than 90 cents, our table corresponds in London, in order to reduce Kronen to £, has altered the basis of conversion by dividing the amount of Kronen by 24 instead of 30.

THE WORKINGMAN AND THE TRADE OUTLOOK.

We do not take very seriously yesterday's announcement of a "big strike" in the iron trade ordered Thursday night by a faction of the Structural Iron Workers. This action was well understood to be an attempt of a discredited element—the element, in fact, of which the wretched Parks was active leader—to assert itself, and to make its self-assertion loud enough by the magnitude of its claims to command attention. The President of the Union remarked, after the vote, that a settlement was possible within a day. We think the stronger probability is that there will be no strike at all, and we are very certain that nobody is gravely disturbed at the Iron Workers' vote.

Our reasons for this opinion are three in number: first, because the workingman is beginning to understand what sort of men have been leading him into strikes and what their purpose was; second, because the laborers and their families are learning what self-imposed idleness really means; and third, because they

are not shutting their eyes, any more than their employers, to signs of relaxing trade activity.

The public mind may be said, perhaps, to have been startled by the evidence of blackmail by labor delegates extracted of late by the tollsome processes of the court. We think, however, that this week's evidence in the Tiffany case will make renewed impression; more particularly because there are some signs that labor itself is beginning to recognize the truth. The conviction of Parks for the second time on Friday, after what amounted to a confession of guilt, can scarcely fail to exert some influence in such quarters. The District Attorney, in one of his campaign speeches this week, was interrupted by the query, "What about Sam Parks?" He replied: "If you people knew how the wives of men in the House-smiths' and Bridgemen's Union came to me to beg me to put Parks where the dogs wouldn't bite him, you wouldn't ask." This put the case colloquially as observant people have known it to stand and as the workingman is now coming to recognize it.

The testimony of the Tiffany managers threw some extraordinary light on the relations of these "walking delegates" to their unions. "Does this money go to the union?" asked one of the managers when discussing the \$500 blackmail which he testified Parks demanded of him. "It goes to Sam Parks and a few others," was the reply as repeated in court; the further remark, garnished with an oath, being that he had "lost his health for the thankless crew" and "now I am looking out for myself." Parks was then asked by his victim, according to the testimony, how the men would take the arbitrary calling-off of the strike. His answer, as repeated in court, was simply this: "I've got them muzzled. If any of them has a 'kick' to make, I'll fine him fifty dollars and put him off his job."

We refer to these not over-pleasant passages in a vulgar blackmailing episode, not because they would ordinarily be worth the attention of a decent man, but because they throw so astonishing a light on the situation which so recently existed throughout the domain of industry, in consequence of which respectable employers submitted shamefacedly to pay blackmail in the back rooms of saloons, while equally self-respecting workingmen asserted that, whatever might be said of the methods of this "leader," he was at any rate the only effective agency of getting their wages raised.

There are more reasons than one why the workingmen's eyes have been opened to the true situation created by the practices he tacitly endorsed. The influence of their wives, referred to by Mr. Jerome, has been one potent factor. Women, rich or poor, are often more steadfast than the men in enduring privation when principle is at stake, but they are quick to see when principle has vanished and when nothing remains but a vulgar fraud of which their husbands and families are the victims. It would need a very dull brain not to penetrate the truth of such facts as have been elicited this week in court. But warning evidence from other directions has been emphasizing still more impressively such convictions. The out-of-town labor leader who this week quietly warned his constituents that, with the present feeling that some reaction might be experienced in trade, this was no time to take chances in another wage struggle, touched on a phase of the question which more and more of the workingmen are coming to understand.

The American workingman, as Mr. Carnegie once remarked, reads the newspapers. He could hardly read them in these days without perceiving the spirit of caution which has spread through the business organism. It cannot be described as pessimism; in the West the recent buoyant hopes are still displayed. But the reaction on the Stock Exchange, the curtailment of profits in some industries, and the precautionary laying off of hands by numerous large employers, are at any rate signs that the relation of supply and demand in the labor world at large has altered very decidedly from a year ago. At that time a general feeling of the producing community that volume of output could not be relaxed coincided with a demand for labor greater than could be met by immediate supply. This is distinctly not the case to-day if a survey is made of American industry as a whole, and the intelligent laborer is as well aware of the fact as is the intelligent employer. Reason governs in the long run opinion in the labor field and we strongly suspect that the cooler heads are advising now a policy which will keep what can be kept of past advantages rather than one which will forfeit all that has been gained.

THE TENDENCY TO CENTRALIZATION.

A case decided in the Federal Supreme Court during the past week is notable in several respects. One of them is the insignificance of the matter intrinsically, the contest having arisen over repairs to a canal-boat, amounting to \$154, while the boat itself was sold for one dollar more than the repair bill. The boat plied on the Erie Canal, and an attempt was made to collect the bill by enforcing the State's contract-lien law. Enforcement was sought in the State courts, and was resisted there on the ground that the contract was maritime, and thus came among the cases over which only the Federal courts have jurisdiction. A full report of the decision is not yet public, and so we do not know the early details of the case; but they are not necessary to the purpose, since this petty affair, which seems miserably out of place in occupying the time of the highest tribunal, has drawn from that tribunal a decision upon the question whether the admiralty jurisdiction of the Federal courts extends to canals and canal-boats. It is this alone which gives the case any consequence.

The Federal Constitution provides that the powers of the United States shall extend * * * "to all cases of admiralty and maritime jurisdiction." The word "admiralty" is a substantive, and is here borrowed from the mother country; Admiralty Court, or jurisdiction, or cases, distinctly belong to naval or maritime cases or causes, and the entire phrase in the Constitution is to be taken as one expression. Inasmuch as the sea belongs to no country and still less to any part of a country, but the entire country is concerned therein, it was never disputed that maritime affairs are outside of State control and exclusively within Federal jurisdiction. But in trying to evade a bill for \$154, somebody has sought that jurisdiction, and the Supreme Court, by a bare majority, has decided that a canal is part of the sea; and a canal-boat is a ship, within the meaning of the admiralty laws and of the Constitutional provision upon which they are founded.

Speaking for members of the Court, Justice Brown held that the only distinction between canals and

other navigable waters is that the former are made navigable by artificial means, and are sometimes though not always within the limits of one State; in this case, while the canal is within one State it is part of a commercial highway which may be said to extend even across the ocean, and it is navigable to vessels which also move upon the Hudson. The use of horses for draught is only an incident, and the power employed is subject to change. As reported, he declared that the line could be drawn only at row-boats; but it is not clear why a line should be drawn to exclude those, especially in view of his declaration that "neither size, form, equipment nor means of propulsion are determinative factors upon upon the question of jurisdiction, which regards only the purposes for which the craft was constructed and the business in which it is engaged."

On the other hand, Justice Brewer, speaking for himself and Justices Peckham and Harlan, with the Chief-Justice, denied that "under the true interpretation of the Constitution the admiralty jurisdiction of the Federal courts extends to contracts for the repair of vessels engaged wholly in commerce within a State." The maritime law, he held, was originally meant to cover only the sea, and its extension to navigable streams was meant to cover only those streams which are navigated by ocean-going vessels.

This certainly seems reasonable. The East River here lies wholly within this State, and therefore belongs to this State as far as location can govern; yet it is not only navigable by ocean-going vessels, but is as much an arm of the sea as a bay is. Hence the Government holds jurisdiction, and this city cannot bridge the strip of water without consent. But Justice Brewer recognizes the fact that the Erie canal was built and is owned by the State. It cannot be for a moment assumed, he says, that the National Government can interfere as to the size and depth of this canal, its locks and bridges, or other incidents of control; hence it seems anomalous, in his view, that when a State builds and owns such a waterway it cannot take its own method of enforcing claims for work done on the vessels, such vessels being "of a character which prevents their being used for any foreign commerce."

It is a striking coincidence that just as the people of this State are to vote upon a proposition to greatly enlarge, at their own expense, this canal which the State has built and owns, the Supreme Court has decided that the State does not own it in the sense of jurisdiction. Moreover, this decision offers one more instance of an ominous tendency to centralize and extend the powers of the National Government. The original Articles of Confederation, in 1777, after announcing the title of the United States of America, began by declaring that "each State retains its sovereignty, freedom and independence, and every power, jurisdiction and right which is not by this Confederation expressly delegated to the United States in Congress assembled." The war having drawn the States more closely together, this idea of reserved rights was not so distinctly expressed in the Constitution adopted ten years later; but it is a significant fact that it re-appeared in the Tenth Amendment, which declares that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

THE ST. LOUIS & SAN FRANCISCO REPORT.

The St. Louis & San Francisco Railroad Company is in a state of transformation. From having been a comparatively small system it is being developed into a very large system through the building of new road and the acquisition or control of existing properties. Its annual report must be interpreted in the light of these facts. We are speaking of the San Francisco as a separate and distinct concern without reference to the independent projects of the Rock Island Company, which latter dominates its affairs through the ownership of nearly the whole of the company's 600,000,000 of common stock.

In referring to the additional road built or taken over, we do not have in mind the earlier acquisitions like the Kansas City Fort Scott & Memphis, the Kansas City Memphis & Birmingham, the Fort Worth & El Paso, etc., and which raised the total of mileage from about 1,500 to 3,000 miles. We are adverting to the lines more recently acquired, some of which are now included directly in the San Francisco's operations, but others of which are still maintained as separate properties. For 1902-3 the average length of road on which the statistics in the report are based was 3,675 miles, which compares with an average of 3,252 miles for the twelve months preceding. This is an increase of 423 miles, or 13 per cent.

But these figures show merely the change in average mileage. Actually, 524 miles were added during the twelve months—all new extensions—the total of main track June 30 1903 being reported as 3,938 miles, against only 3,414 miles June 30 1902. The enlargement of the system by the construction of 524 miles of road is a distinction which very few roads can claim for the twelve months in question. Of the new track laid, 390 miles was in Oklahoma Territory and 144 miles in the Indian Territory, making 434 miles in that recently opened part of the country, where the soil is marvellously fertile and where population is growing with amazing rapidity. Much more new mileage is under construction in the same sections, as may be seen by reference to the company's annual report, which we publish quite at length on subsequent pages.

The above, moreover, comprises merely the lines which are treated as direct parts of the San Francisco system and included in its operations and accounts. The additions represented by roads still maintained as separate properties have been of yet greater magnitude and of still larger importance. In enumerating these, we may begin with the Chicago & Eastern Illinois (comprising some 700 miles of road), the greater part of the common and preferred stock of which the San Francisco has acquired. This gives the company an outlet to Chicago. A link to connect the two will be provided by the San Francisco building a small piece of road from Findley to Pana, Ill., while from the latter point to East St. Louis the line of the Cleveland Cincinnati Chicago & St. Louis (which is laying a double-track for the purpose) will be used.

The St. Louis Memphis & Southeastern is another road which has been acquired. When completed this will comprise 416 miles. At present 304 miles have been built. The remainder, it is thought, will be in operation by the end of the current year. This road will give the company a new and direct route between St. Louis, Memphis and Birmingham, and will thus

a part of the through line connecting Chicago, St. Louis, Memphis and New Orleans. Then the St. Louis & Gulf Railway has been taken over. This comprises 195 miles of completed road and has 70 miles more under construction. It is described as covering a fertile territory in Southeastern Missouri, and is expected to be a valuable feeder to the St. Louis Memphis & Southeastern and the Chicago & Eastern Illinois. Mention should also be made of the Ozark & Cherokee Central Railway and the Shawnee Oklahoma & Missouri Coal & Railway. The two together form a line from Fayetteville, Ark., to Okmulgee, I. T., 144 miles. The line was completed in June 1903, and the San Francisco assumed control of the operations of both companies on July 1 1903.

With this outline of the extensive nature of the undertakings which the San Francisco Company is carrying through, the reader will be prepared to interpret the financial and income results revealed by the report. As might be expected, the financial operations of the year have been of exceptional dimensions. The net increase in the system's funded debt for the twelve months has been no less than \$17,735,500, the larger items in this being the issue of \$12,127,000 of St. Louis & San Francisco refunding 4s to cover the cost of various new extensions and of certain improvements, and the issue of \$4,000,000 of collateral trust 4 per cent gold notes for the purpose of acquiring the St. Louis Memphis & Southeastern. Besides the increase in funded debt, additional equipment notes in amount of about \$3,000,000 were issued. The company increased its freight equipment almost 25 per cent during the year, raising the number of freight cars from 16,969 to 21,139. Furthermore, \$2,149,136 in 4½ per cent notes were issued as part of the transaction by which the Oklahoma City & Western RR. and the Oklahoma City & Texas RR. were acquired. The transaction was closed on the basis of one-third cash and two-thirds notes. The notes, of which there are two (one maturing March 10 1904 and the other September 10 1904) will be paid when due, the report says, from the sale of bonds issued for the payment of the road, and which are now in the treasury of the company. There has also been an addition to the amount of ordinary notes payable from \$840,000 June 30 1902 to \$2,215,000 June 30 1903. This and the increases in some of the other items of current accounts are the result, it is stated, of the large expenditures for construction purposes and for the acquisition of additional property. As soon as the financing of the new properties which are being constructed is completed, these liabilities will be paid off.

All the details of the finances are stated with great frankness and fullness, and no point in the operations of the year is apparently left uncovered. Furthermore Stephen Little certifies to the accuracy of the accounts. The method of financing the Chicago & Eastern Illinois acquisition is of course known to our readers: \$6,267,550 of Preferred Stock Trust Certificates and \$17,660,500 of Common Stock Trust Certificates were issued in exchange for the stock acquired.

The income account in the report covers the road directly operated, comprising, as already stated, an average of 3,675 miles in 1902-03, against 3,253 in 1901-02. On this basis an increase of \$2,668,628 in gross is shown, with a gain of only \$265,123 in net. Higher wages and enhanced prices for fuel, materials,

supplies, &c., have of course played their part in the great augmentation in expenses here disclosed, and damage done by extraordinary floods part of the year contributed to the same end. But of course the additional mileage operated has been no less a feature in the result. It is to be noted that in the previous year the outcome was much the same. With \$2,296,603 gain in gross, there was but \$234,020 increase in net. In other words, in two years gross has risen from \$19,324,379 to \$24,289,510, but net has moved up only from \$7,914,392 to \$8,413,534. In the same interval the average length of road has risen from 2,923 miles to 3,675 miles.

This last furnishes a clue to one of the main reasons for the lack of greater improvement in net. In other words, the business of the new mileage added has been developed as yet only to a limited extent. The same remark applies in explanation of the smaller surplus remaining on the operations of the twelve months. After providing for interest and rental charges and the 4 per cent dividends on the first and second preferred stocks of the company, a surplus of \$634,975 remains for 1902-3. This is a very satisfactory outcome considering the conditions which prevailed, even though in 1901-2 the surplus for the twelve months was \$1,472,198. President Yoakum describes the situation with entire accuracy when he says that in consequence of the considerable new mileage opened for traffic during the year the increase in the company's fixed charges is temporarily out of proportion to net earnings. Mr. Yoakum also points out that the territory served by the new lines is not only productive, but is being rapidly developed, and is now raising and marketing since the close of the fiscal year its first crop. Therefore both gross and net earnings, on these lines, have been smaller than they are likely to be in the future, while the full interest charges have been borne thereon since taking them into the system.

In closing, we would direct attention to the fact that in face of all the drawbacks encountered, the company was able to increase its average train-load—from 187 to 195 tons. This is important as showing that operating efficiency is being carefully looked after and steadily advanced.

THE EXTENSION OF THE GOLD STANDARD.

The formal report of the Commission on International Exchange was made public early this week and throws a strong light on their work in Europe during the past summer. They state that their first task "was to secure from the leading powers of Europe interested in the Chinese indemnity or in Oriental colonial enterprise approval of the principle of the introduction of the gold standard into China." In this mission they seem to have been completely successful. A committee of eminent bankers and financiers was appointed in each country to confer with the American Commissioners and resolutions or reports were adopted at all the capitals visited in favor of the principles which the Americans proposed. There were some differences of opinion as to details, but these are comparatively unimportant unless they result in opposition to the work of Professor Jenks, who has gone to China as the representative of the Commission. It was to forestall such opposition that the American

and Mexican Commissions visited London, Paris, Berlin and St. Petersburg. It is at Peking, however, that the details must be settled of the plan which is to be actually carried out, and Professor Jenks apparently has a free hand, from his associates on the Commission as well as from European governments, to bring the gold standard into operation in the best practicable way.

The American proposals, as submitted to the various European commissions, involve the issue of a coin having a fixed gold value from the outset, in accordance with the plan adopted by the United States in the Philippines. The commissions of Great Britain and Russia preferred the policy of first establishing a uniform silver currency and afterwards taking steps, through control of the foreign exchanges, to raise the coinage to a fixed gold par. This is the policy which is being pursued by Great Britain in the Straits Settlements and by France in Indo-China. The French Government seems to have adopted this policy in Indo-China because it already has a silver currency in circulation there, but it has endorsed for the Chinese Empire the principle of the American plan. It is interesting to observe that Sir Robert Hart, the eminent Englishman who has been so long at the head of the Chinese Maritime Customs, also gives his endorsement to the principle of the American plan of starting on the gold standard.

The importance to the commercial world of restoring stability of exchange between the gold and silver countries was emphasized by the *FINANCIAL CHRONICLE* when the proposals of Mexico and China on this subject were received by our Government last winter. It was then pointed out that the policy of bimetallicism was not suited to the solution of the problem and that a solution must be sought along other lines. The project of the Mexican and American commissions, which now has the endorsement of the best experts in Europe, conforms to this view. This project involves the establishment in China and other silver-using countries of the gold exchange standard, on the model of British India, the Netherlands and the Philippines. Such a system is the nearest approach to a gold currency which is practicable in countries where the scale of wages and prices is so low that a gold sovereign would represent in some cases the earnings of two months. Setting aside the chimerical project for linking together two different commodities of widely-varying supply and demand which has gone under the name of bimetallicism, the proposal to give a fixed value in gold to silver coins by adjusting the output to the demands of trade and providing for redemption in gold is the only available method for putting an end to the fluctuations of exchange between the Occident and the Orient, which during the last few years have tended to hamper so greatly the extension of trade and the investment of capital.

The influence of the proposed plan upon the gold price of silver has been a subject of comment and even suspicion in certain sound money journals. Silver has naturally become anathema in many quarters in the United States in view of the painful experiences which we have undergone by pandering to political and unscientific treatment of the subject. The sentimental effect of the suspension of free coinage in India, the repeal of the silver-purchase clause of the Sherman Act and the successive announcements that Japan, Russia, the Philippines, Siam, the Straits Set-

tlements, French Indo-China and Mexico were going on the gold standard, has been to depress silver. This has been the case in the face of a continued large absorption of the metal by India to an extent during the present autumn which seems to be causing almost a famine in the silver market. There is nothing improper in the effort of the Government of Mexico to reverse this sentimental tendency by seeking to convince the world that the adoption of a gold exchange standard in former silver-using countries will tend to enhance their prosperity and increase the demand for silver for their token coinage. This was evidently one of the objects of the Mexican Government in proposing joint action, but there appears to be no doubt that Mexico intends to set her face resolutely towards the gold standard, whether silver falls or rises. Her explanations in Europe of the actual relations between demand and supply, according to present methods of production, seem to have counteracted the sentimental impression that the adoption of the gold standard would necessarily be the death knell of silver as a commodity, and in this respect to have cleared the air for carrying out her own monetary reform.

Whatever may be the merits or demerits of the project of the American and Mexican Commissions, and whatever delay may be caused by unexpected obstacles in putting China on the gold exchange standard, there is no doubt that the ultimate tendency of these plans must be the extension of the gold standard throughout the world. This does not necessarily mean any worse position for silver as a commodity than it enjoys to-day, but probably means in many Oriental countries a larger demand for the metal for subsidiary coinage by reason of an enlarged volume of exchanges. In the plans proposed by Mexico and China, however, there is provision for the automatic introduction of gold into the circulation as soon as local conditions become suited to its use. The mine will be open to the free coinage of gold, and it is highly probable that in Mexico, at least, this provision will be availed of by the bankers for strengthening their metallic reserves. In China, the employment of actual gold in circulation will probably come more slowly, but under the plan of the two commissions it will come as rapidly as the country requires it, gradually displacing silver in large transactions and strengthening the reserves of the banks, without change in the unit of value or any jar in the process of transition.

The American and Mexican commissions have undoubtedly done wisely in taking in hand the problem of establishing a par of exchange between East and West, even if it appears in the sequel that the difficulties to be surmounted in China will delay the execution of their program. It was time for a beginning in the matter and this fact seems to have been frankly recognized by the Chinese Government and its diplomatic representatives in Europe. That many practical difficulties will confront Professor Jenks in persuading the Chinese Government to adopt the gold standard system and, having secured its formal approval, to give it practical effect, is frankly admitted by the report of the American Commission. They rightly suggest, however, that the United States in taking the lead in the matter is in a better position than any of the other Powers to escape international jealousy, and that it will redound greatly to the credit of this country and to the extension of the world's trade if the project is carried out.

ITEMS ABOUT BANKS, BANKERS AND TRUST CO'S

The public sales of bank stocks this week aggregate 159 shares, of which 125 shares were sold at auction and 34 shares at the Stock Exchange. Only one lot of trust company stock, amounting to 7 shares, was sold at auction. No sales of either bank or trust company shares have been made in the "curb" market.

Share	BANKS—New York	Price.	Last previous sale
49	City Bank, National.....	260	Oct. 1903— 265
20	Commerce, Nat. Bank of.....	213	Oct. 1903— 215
141	Federal Bank.....	100	Oct. 1903— 100
5	Leather Manufacturers' Nat. Bank.....	310	Oct. 1903— 316
64	Mercantile Nat. Bank.....	215	Oct. 1903— 225½
13	West Side Bank.....	576	July 1902— 595
TRUST COMPANIES—New York			
7	Beving Green Trust Co.....	200½	Oct. 1903— 226

Sold at the Stock Exchange.
This amount was sold in four lots, all at the same price; the subscription to surplus had been paid on 11 shares and had not been paid on 50 shares.

The re-instatement on Thursday of Mr. Charles S. Bryan to membership in the New York Stock Exchange is announced. Mr. Bryan is a member of the firm of Messrs. Sharp & Bryan, which suspended on August 5, but which is now making preparations to resume. Mr. Sharp, who had also been a member of the Exchange, has disposed of his seat.

Julius Hamerslough, of the old retired firm of Messrs. Hamerslough & Bros., was elected on Wednesday First Vice-President of the Equitable National Bank of this city.

The Consolidated National Bank has moved this week into more commodious and attractive offices on the ground floor of 64 Broadway, corner of Exchange Place. Its new banking room is very conveniently arranged, being thoroughly equipped with every banking facility. The interior decorations are in golden oak and white. The Consolidated National began business on September 22 1902, a little over a year since, at 57 Broadway, nearly opposite its present new quarters, with \$1,000,000 capital stock and the same amount of surplus. In one year the institution announces it has accumulated \$100,000 of undivided profits. As is already well known, Willis S. Paine is President, while Mortimer H. Wagar is Vice-President, Thomas J. Lewis Cashier, and James Thorne, Thomas N. Jones and Henry G. Lewis Assistant Cashiers. Mr. Henry G. Lewis has just been appointed Assistant Cashier, having been formerly identified with the Fourth National Bank of this city. The bank's board of directors includes many prominent in financial interests: Oulton D. Ashley, Perry Belmont, Henry C. Brewster, Edward G. Bargees, George P. Butler, George R. Crawford, Robert A. Chesebrough, George Crocker, John W. Griggs, J. Temple Gwathmey, William A. Hall, George S. Hart, E. Burton Hart Jr., John Fremont Hill, James G. Newcomb, Eugene B. Outerbridge, Willis S. Paine, Oscar L. Richard, J. Howard Sweetser, Mortimer H. Wagar and Clarence Whitman.

The Bankers' Money Order Association, to which reference has already been made in this column, has found it expedient, for the purpose of facilitating its operations, to practically establish a small bank as its central banking agent. It has, therefore, acquired an interest in the new The Bank of Discount of New York, capital and surplus \$150,000, through which its central banking business and final redemption of orders will be conducted. The money-order service of this association—blanks, signs and advertising matter—is furnished free of charge to any responsible bank or banker, and the association guarantees the redemption of its orders at par wherever presented. These money orders have now been in general circulation for over two years. The association's principal correspondents are located at San Francisco, Chicago, New York, New Orleans, Boston, Dallas, Mexico City, Havana and Toronto, and final redemption agent The Bank of Discount in New York City.

The Hoboken Trust Company of Hoboken, N. J., has recently taken possession of its new banking house on the corner of Washington and Fourteenth streets. Its handsome new home, two stories in height, is constructed of Indiana limestone. The interior of the spacious banking room, on the ground floor, is attractively finished in oak and white. The company has installed new modern safe deposit vaults of the latest pattern in the rear of the banking room, in close

proximity to the street. The coupon booths, directors' offices and ladies' rooms are all pleasantly appointed and nicely furnished. Its well-known President, Mr. Charles Falls, has given the institution the benefit of his ability and experience as an architect in the building of his new home. The company's location, at the junction of Washington and Fourteenth streets, is convenient to the ferry to Fourteenth Street, New York, while the trolleys that pass its doors bring Weehawken, Union Hill, West Hoboken and the surrounding neighborhood within easy access. The Hoboken Trust was organized in 1902, and now has \$100,000 capital, \$52,085 surplus and profits, and \$321,251 deposits. Besides Mr. Charles Falls, President, its officers are: Adam Riesenberger, Vice-President; Frederick A. Schwartz, Secretary and Treasurer, and Samuel F. Hartzel, Assistant Secretary and Treasurer. The directors include: S. Bayard Dod, Palmer Campbell, Charles F. Mattlage, Joel H. Woodman, Adam Riesenberger, F. George Messmer, Edmund D. Vanderbilt, Andrew Fletcher Jr., W. O. Wood, Frederick A. Schwartz and Charles Falls.

Funds amounting to \$64,806, sufficient to pay a dividend of 25 per cent, have been deposited with the Treasury Department on behalf of the depositors of the Navesink National Bank of Red Bank, N. J., which went into receiver's hands on August 14.

Another dividend is about to be paid to the depositors of the First National Bank of Asbury Park, N. J., Receiver Schofield having just remitted to the Comptroller \$38,000 for that purpose. This will enable the payment of a dividend of 15 per cent, making in all, since the suspension in February, 85 per cent.

The new President of the Passaic National Bank of Passaic, N. J. (in place of Mr. David Carlisle, who died last month), is the former Vice-President, Mr. Charles M. Howe. The bank now has two Vice-Presidents—Mr. G. W. Blanchard and Mr. W. F. Gaston.

Mr. M. V. B. Jefferson has replaced Mr. E. B. Stoddard as President of the Quinsigamond National Bank of Worcester, Mass. Mr. T. S. Johnson is Vice-President.

The Westchester County National Bank of Peekskill, N. Y., on Sept. 26 commemorated with a banquet its seventieth anniversary. The event was also marked by the payment to the stockholders on the 1st inst. of a special dividend of 5 per cent and by the gift of \$70 to each of the employees of the institution. Organized as a State bank in 1833, the conversion into a national bank was made in 1865. The present quarters have been occupied by the bank since 1884, but plans for a new banking building are now under way. The officers of the bank are Mr. Cornelius A. Pugsley, President; Cyrus Frost, Vice-President, and G. A. Ferguson, Cashier.

The death is announced of Mr. C. W. Hammond, Second Vice-President and Cashier of the People's Bank of Buffalo. Mr. Hammond was fifty-five years of age.

Another Boston bank consolidation has been effected. The National Hamilton, with a capital of \$500,000, has been merged in the Fourth National, capital \$1,000,000. At a conference last Saturday the directors of the two institutions voted on the plan, which almost immediately went into effect, the Fourth on Monday of this week assuming the business of the National Hamilton. The latter will liquidate at the termination of the required thirty days' notice. The shareholders, in addition to 100 per cent for their shares, will receive such surplus as may result from liquidation. Mr. A. W. Newell will remain at the head of the Fourth National. The President of the Hamilton, Mr. G. W. Newhall, will become a Vice-President of the Fourth. The Hamilton's Cashier, Mr. Frank Tent, will also be identified with the consolidated institution.

The banking house of Messrs. Swan & Barrett of Portland, Me., is now merged in the Portland Trust Company of that city. The consolidation, to which we have previously referred, took effect legally July 1, but the actual consolidation was not effected until the 19th inst. Both members of the firm (Mr. George H. Richardson and Mr. Arthur K. Hunt) have become identified with the trust company as trustees and officers, Mr. Richardson having been elected Treasurer and Mr. Hunt a Vice-President. In July the company increased its capital from \$300,000 to \$350,000 and its surplus from \$300,000 to

\$400,000. The total deposits on October 19 are reported at \$3,314,998. Another department, that of foreign exchange, has lately been added to the company's four other departments, which include banking, trust, safe deposit and a bond department.

—The Public Trust Company of Pittsburgh is to merge with the International Savings & Trust Company of Pittsburgh, the stockholders of the former having on the 22d inst. accepted the offer made by the International. The latter, whose organization was started about six months ago, will increase its capital from \$350,000 to \$500,000 and its surplus from \$50,000 to \$100,000. It will remove to 286 Fourth Avenue, the present quarters of the Public Trust, which began business a little over a year ago, on October 1 1902. The Public Trust has a capital of \$300,000 in shares of \$100 each. The capital of the International is divided into 1,000 shares of \$25 each, with \$5 additional paid in on surplus account. Under the plan agreed upon the stockholders of the Public Trust will receive for each \$100 share now held three-and-a-third shares of International stock.

—Mr. S. C. Armstrong has been appointed Cashier of the Washington National Bank of Pittsburgh and Mr. A. W. Hecker Assistant Cashier.

—It is expected that both the Federal National Bank of Pittsburgh and the First National Bank of Allegheny will resume business. The matter has been discussed informally by the management of the two banks, and definite action will, it is understood, be taken in the matter as soon as the examinations now in progress have been concluded.

—The reorganized Guardian Trust Company of Pittsburgh opened for business on Monday at No. 411 Wood Street. Besides a regular banking and trust business the company will take charge of real and personal estates. The officers are: President, Mr. A. G. Tim; Vice-Presidents, J. U. Martin and Charles H. Craig, and Secretary and Treasurer, George L. Stephenson.

—Unfounded rumors of financial troubles led to a run on Tuesday of this week on several St. Louis trust companies—the Mississippi Valley Trust, the Mercantile Trust, the Lincoln Trust and the Missouri Trust. While the demands in some cases were heavy, the withdrawals were made chiefly by depositors with small accounts; with the reassuring statements issued by the companies, however, the run quickly subsided. Concerted action was taken by eight of the trust companies, requiring thirty and sixty days' notice of intention to withdraw.

—The stockholders of the United States Trust Company of St. Louis authorized on the 21st inst. the proposed addition to the capital, increasing the amount from \$400,000 to \$1,000,000. The new stock will be sold from time to time at not less than \$150 per share. No small pride is taken by the officials of the company in the showing made October 1, two months after business began, deposits being already \$396,878. Besides the capital of \$400,000 and surplus of \$300,000, there are undivided profits of \$2,539. The institution is located in its own building at Broadway and Locust Street, formerly the property of the Colonial Trust Company.

—The First Savings & Banking Company of Dayton, Ohio, incorporated at Columbus on the 15th inst., was formally organized on the 26th. Mr. O. W. Irwin has been chosen President, Charles W. Bieser, Vice-President, and F. W. Gruen, Cashier. The company has a capital of \$1,000,000.

—Former Vice-President A. A. Barnes, of the Columbia National Bank of Indianapolis, has been elected President to succeed Mr. Mortimer Levering, who resigned to become Manager of a Chicago estate. With Mr. Barnes' advancement, Mr. L. P. Newby has succeeded to the Vice-Presidency.

—Mr. P. C. Thompson, previously in the employ of Messrs. Noble, Moss & Co. of Detroit, has been appointed manager of the bond department of the Detroit Trust Company.

—The office of Chief Clerk and Auditor of the Colonial Trust & Savings Bank of Chicago has been accepted by Mr. Emil Stuedil, paying teller of the National Bank of the Republic, Chicago. Mr. A. S. Boos has resigned as Assistant Cashier of the Colonial.

—A run was started on the German-American Bank of La Crosse, Wis., on Monday. The bank was able, however, to meet the demands upon it, as plenty of funds were on hand.

—Mr. Edwards Sinclair has disposed of his interest in the Union Bank & Trust Company of Nashville, Tenn., to Mr. Eustice A. Hall. Mr. Hall, who was already a director in the company, has succeeded Mr. Sinclair as Second Vice-President. The latter's place on the board has been filled by the election of Mr. Ben Lindauer.

—Mr. W. B. Barnett, President of the National Bank of Jacksonville, at Jacksonville, Fla., died on the 21st inst.

—The Commercial National Bank of Oklahoma City, Okla., was organized on the 8th inst. with \$100,000 capital. Mr. John Threadgill is President; C. F. Colcord, Vice-President; John C. Hughes, Cashier, and E. C. Trueblood, Assistant Cashier. President Threadgill and Vice-President Colcord hold similar positions in the Oklahoma Trust & Banking Company.

—Mr. O. A. Hale has replaced Prince Poniatowski (resigned) as Vice-President of the Central Trust Company of San Francisco. Two vacancies on the board have been filled by the election as members of Mr. W. A. Frederick and Mr. C. C. Moore.

MEETING OF ACCOUNTANTS.—At the recent convention of the Federation of Societies of Public Accountants in the United States, held at Washington on the 21st inst., Secretary George Wilkinson's annual report attracted a good deal of attention. Mr. Wilkinson made allusion to the visit to Secretary Cortelyou in Washington last July, of a delegation representing the Federation, suggesting to the Department of Commerce the desirability of engaging public accountants in making the intricate examination delegated to that newly-created branch of the National Government. He also reported that the Ohio State Society of Public Accountants and the California Society of Certified Public Accountants had been duly admitted into the Federation during the past year, while four new State societies of public accountants had been organized in Washington, Missouri, Louisiana and Kentucky, mainly through the influence of the Federation. He likewise announced that these new State societies would speedily affiliate themselves with the national body—that is as soon as they become eligible.

The individual reports of the presidents of the State Societies, particularly the reports of Farquhar MacRae of New York, William M. Lybrand of Pennsylvania and Ernest Reckitt of Illinois proved of much interest and value. These gentlemen dwelt at length upon the progress and success of the profession and the Certified Public Accountant movement. The convention at Washington this year was the second meeting held by the Federation since its inception. The successful confederation of the State societies and associations into the Federation of Societies of Public Accountants was actively brought about a year ago, and was largely due to the indefatigable efforts and initiative of Mr. George Wilkinson, then President of the Illinois Association, along the lines proposed by that association. As stated in the CHRONICLE October 24, the following officers were chosen for the ensuing year: President, Farquhar J. MacRae of New York; Secretary, George Wilkinson of Illinois; Treasurer, Robert H. Montgomery of Pennsylvania; Auditor, E. L. Saffern of New York.

Monetary & Commercial English News

[From our own correspondents.]

LONDON, Saturday, October 17, 1908.

The week here began in gloom and is ending in sunshine. At the close of last week there was a recovery in most departments of the Stock Exchange, as certain operators had been given the assistance which they required; but the alarmist rumors spread on Monday that war between Russia and Japan was imminent, revived apprehensions and caused a very sharp fall in all departments of the Stock Exchange. The leading houses in the city, however, came to the support of the markets, and as soon as this became known there was a general rally and prices advanced. Each day since confidence has been strengthened, and as the week is drawing to an end there is a very hopeful feeling.

Contrary to the report set afloat last week, there was no difficulty found in carrying over all "bull" accounts. Indeed it was discovered during the settlement which began on Monday morning and ended on Thursday evening that

there was a "bear" account in most departments, particularly in Consols and in South African mines. The rates charged by the banks to the Stock Exchange were very moderate and the carrying-over rates inside the House were very light. As already said, the leading houses in the city bought upon a large scale. Moreover, investors from all parts of the country sent in buying orders on an unusual scale, and it is noted as particularly satisfactory that the number of small orders was exceptionally great. Naturally the small orders were very numerous in the mining department, but they were also surprisingly numerous in the Consol department.

There was also very good buying for the Continent. The French purchases were chiefly in mining shares. German purchases predominated in Government securities. Negotiations, too, are going on amongst the leading houses for the formation of a very powerful syndicate intended not so much to support the market as to insure that money shall be provided for the development of South Africa. Everybody feels that one of the most urgent needs of London just now is that the output of gold in South Africa should be so increased that the banks would be able to add largely to their reserves, and in order that the output should be so increased, it is necessary in the first place to secure a much larger number of laborers and in the second place to insure that money shall be forthcoming to push forward the working to its utmost extent.

The general impression now is that very little gold will be taken either for New York or for Germany. It is expected that a considerable amount will be withdrawn from the Bank to-day for Egypt, and it is probable that a good deal of gold will be required by Argentina in a month or two. But the demands of Egypt and Argentina have been long foreseen and can be measured. Demands for New York, Germany and Russia cannot be foreseen or measured, and therefore would disturb the market very much more. The impression here at present is that the demands will be quite small and that consequently the 4 per cent rate will suffice. If so, there will be a plentiful supply of accommodation for the Stock Exchange, and the present recovery will make further progress. Upon the Continent, business is generally very slack. In Paris there is exceedingly little doing, and in Berlin there is no great activity, although there is a fair demand at rising prices for good securities.

Money for the moment is abundant and cheap, but the Bank of England has begun to borrow once more in the open market, for it feels that it is absolutely essential to protect its reserve, and therefore to get control of the open market. It is hoped that if the 4 per cent rate is made effective withdrawals of any considerable amount either for America, Germany or Russia will be prevented, and though the demands of Egypt and Argentina must be satisfied, whatever the rate of discount may be, still it is hoped that assistance may be obtained from France for meeting those demands. France a couple of weeks ago allowed a considerable amount of gold to go to Italy, Egypt and Germany. Since then, however, there has been an outcry in the nationalist press, and the Bank of France in consequence is less disposed to part with gold than it was. But if the withdrawals from the Bank of England were to become so large as to threaten to make it necessary for the Bank to put up its rate to 5 per cent, it is understood that the Bank of France would then give assistance.

So far as home requirements are concerned, there is no reason for an advance in the Bank rate. Trade is quiet, speculation is at a standstill, the "bull" accounts open upon the Stock Exchange are unusually small, immense masses of stock which were formerly carried by weak people have during the past few weeks been transferred to extremely strong people, and therefore the Stock Exchange is in a much healthier state than it was, and every kind of business is sound. But if large amounts of gold are withdrawn from the Bank of England, the Bank will be compelled to raise its rate so as to protect its reserve. And as this is well understood abroad, it is hoped that the withdrawals will not be seriously large. A more hopeful view is taken likewise of the relations between Russia and Japan, but until a settlement has been arrived at, it is not probable that there will be very much of a rise in prices.

The India Council continues to sell its drafts well. It offered for tender on Wednesday 50 lacs, and the applications exceeded 315 lacs at prices ranging from 1s. 8 1/2-8 3/4 to

1s. 4 1/2-8 3/4 per rupee. Applicants for bills at 1s. 4d. were allotted about 96 per cent of the amounts applied for. Later in the day the Council sold by special contract a little under 2 lacs in bills at 1s. 4 1/2-8 3/4 per rupee.

The following return shows the position of the Bank of England, the Bank rate of discount, the price of consols, &c. compared with the last three years:

	1903. Oct. 14.	1902. Oct. 15.	1901. Oct. 16.	1900. Oct. 17.
Reserve.....	28,000,000	28,000,000	28,000,000	28,000,000
Public deposits.....	8,300,000	7,500,000	10,100,000	8,500,000
Other deposits.....	42,100,000	42,100,000	41,171,771	40,900,000
Government securities.....	10,500,000	10,500,000	10,500,000	10,500,000
Other securities.....	28,501,808	28,100,011	28,000,000	28,000,000
Reserve of notes and coin.....	11,550,175	12,444,000	12,250,000	12,250,000
Joint liability, both departm'ts.....	28,000,000	28,000,000	27,177,129	27,177,129
Prop. reserve: liabilities, p.c. 44.....	44	45 1/2	49	48 1/2
Bank rate, per cent.....	50 1/2-10	50 1/2-10	50 1/2-10	50 1/2-10
Consols, 3 1/2 per cent.....	104 1/2	104 1/2	104 1/2	104 1/2
Silver.....	28 1/2-104	28 1/2-104	28 1/2-104	28 1/2-104
Banking-House returns.....	170,532,000	219,266,000	198,076,000	175,137,000

The rates for money have been as follows:

London.	Bank Rate.	Open Market Rates.						Interest allowed for deposits by		
		Bank Bills.			Trade Bills.			Joint Stock Banks.	Dist. B's.	At 7-Month Call.
		3 Months.	4 Months.	6 Months.	3 Mos.	4 Mos.	6 Mos.			
Sept. 18	4	4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	3 1/4	3 1/4	3 1/4
" 28	4	4 @ 4 1/4	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2	3 1/4	3 1/4	3 1/4
Oct. 3	4	3 1/4 @ 4	4	4	4 1/4	4 1/4	4 1/4	3 1/4	3 1/4	3 1/4
" 9	4	3 1/4 @ 3 1/2	3 1/4 @ 3 1/2	3 1/4 @ 3 1/2	3 1/4 @ 3 1/2	3 1/4 @ 3 1/2	3 1/4 @ 3 1/2	3 1/4	3 1/4	3 1/4
" 16	4	3 1/4 - 16 @ 3 1/2	3 1/4 - 11 @ 3 1/2	3 1/4 - 11 @ 3 1/2	3 1/4 @ 4	3 1/4 @ 4	3 1/4 @ 4	3 1/4	3 1/4	3 1/4

The Bank rate of discount and open market rates at the chief Continental cities have been as follows:

Rates of Interest at	October 17.		October 10.		October 3.		September 30.	
	Bank Rate.	Open Market.	Bank Rate.	Open Market.	Bank Rate.	Open Market.	Bank Rate.	Open Market.
Paris.....	3	3 1/2	3	3 1/2	3	3 1/2	3	3 1/2
Berlin.....	4	4 1/2	4	4 1/2	4	4 1/2	4	4 1/2
Hamburg.....	4	4 1/2	4	4 1/2	4	4 1/2	4	4 1/2
Frankfurt.....	4	4 1/2	4	4 1/2	4	4 1/2	4	4 1/2
Amsterdam.....	3 1/4	3 1/2	3 1/4	3 1/2	3 1/4	3 1/2	3 1/4	3 1/2
Brussels.....	4	4 1/2	4	4 1/2	4	4 1/2	4	4 1/2
Vienna.....	3 1/4	3 1/2	3 1/4	3 1/2	3 1/4	3 1/2	3 1/4	3 1/2
St. Petersburg.....	4 1/2	nom.	4 1/2	nom.	4 1/2	nom.	4	nom.
Madrid.....	4 1/2	3 1/2	4 1/2	3 1/2	4 1/2	3 1/2	4 1/2	3 1/2
Copenhagen.....	4 1/4	4 1/2	4 1/4	4 1/2	4 1/4	4 1/2	4 1/4	4 1/2

Messrs. Pixley & Abell write as follows under date of Oct. 15:

Gold—In the absence of any Continental inquiry the Bank has received almost the whole of the arrivals, the total being £315,000, of which £281,000 is in bars. £780,000 has been withdrawn, and of this £650,000 has gone to Egypt. Arrivals: Cape Town, £281,000; West Coast, \$9,000; New Zealand, £12,000; Australia, £20,000; total, £323,000. Shipments: Bombay, £38,000; Calcutta, £20,000; total, £58,000.

Silver—With considerable orders, especially for spot silver, which has been in very short supply, the price has risen to 28 1/2. The market closes firm. India has been a good buyer and there have also been covering orders for October delivery. Forward silver is also better and is quoted at 1/4d. under spot. The last Indian price is Rs. 7 1/4. Arrivals: New York, £41,000; Australia, \$9,000; total, £49,000. Shipments: Bombay, £128,000; Calcutta, £10,000; total, £138,000.

Mexican Dollars—Mexico has sold fairly freely during the week and the price has been based on their melting value. \$7,000 has come from New York.

The quotations for bullion are reported as follows:

GOLD.		Oct. 15.	Oct. 8.	SILVER.		Oct. 15.	Oct. 8.
London Standard.		s. d.	s. d.	London Standard.		s. d.	s. d.
Bargold, fine.....	77 10 1/2	77 10	77 10	Bar silver, fine.....	28 1/2	27 1/2	27 1/2
U.S. gold coin.....	76 5 1/2	76 5	76 5	Do 2 mo. delivery.....	27 1/2	27 1/2	27 1/2
German gold coin.....	76 5 1/2	76 5 1/2	76 5 1/2	Do 3 mo. delivery.....	27 1/2	27 1/2	27 1/2
French gold coin.....	76 5 1/2	76 5 1/2	76 5 1/2	Do 4 mo. delivery.....	27 1/2	27 1/2	27 1/2
Japanese yen.....	76 5 1/2	76 5 1/2	76 5 1/2	Do 5 mo. delivery.....	27 1/2	27 1/2	27 1/2
*Nominal.				Do 6 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 7 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 8 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 9 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 10 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 11 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 12 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 13 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 14 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 15 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 16 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 17 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 18 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 19 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 20 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 21 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 22 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 23 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 24 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 25 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 26 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 27 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 28 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 29 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 30 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 31 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 32 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 33 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 34 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 35 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 36 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 37 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 38 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 39 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 40 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 41 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 42 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 43 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 44 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 45 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 46 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 47 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 48 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 49 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 50 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 51 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 52 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 53 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 54 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 55 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 56 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 57 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 58 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 59 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 60 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 61 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 62 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 63 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 64 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 65 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 66 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 67 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 68 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 69 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 70 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 71 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 72 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 73 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 74 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 75 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 76 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 77 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 78 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 79 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 80 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 81 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 82 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 83 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 84 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 85 mo. delivery.....	27 1/2	27 1/2	27 1/2
				Do 86 mo. delivery.....	27 1/2	27 1/2	

English Financial Markets—For Cable.

The daily closing quotations for securities, etc., at London are reported by cable as follows for the week ending Oct. 30:

LONDON.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Silver, per ounce.....d	27 1/2	27 1/2	27 1/2	28	28	27 1/2
Consols., new, 3 1/2 p.c.	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2
For account.....	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2
Preresent (in Paris) fr	97-17 1/2	97-20	97-27 1/2	97-20	97-35	97-40
Amazons Mining.....	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Alph. Top. & Santa Fe.....	67 1/2	68 1/2	69 1/2	69 1/2	69 1/2	68 1/2
Preferred.....	91	91 1/2	92 1/2	92 1/2	93	93
Baltimore & Ohio.....	75 1/2	76 1/2	77 1/2	77 1/2	77 1/2	76 1/2
Preferred.....	80	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2
Canadian Pacific.....	123	123 1/2	123 1/2	123 1/2	123 1/2	123 1/2
Chesapeake & Ohio.....	39 1/2	39 1/2	39 1/2	39 1/2	39 1/2	39 1/2
Chico, Great Western.....	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2
Chic. Mil. & St. Paul.....	142	142 1/2	144 1/2	144 1/2	144 1/2	143 1/2
Do. & Rio Gr., com.....	20	20	20 1/2	20 1/2	20	20
Do do Preferred.....	70	69 1/2	70	70	70 1/2	70
Arie, common.....	27 1/2	28	28 1/2	28 1/2	28 1/2	27 1/2
1st preferred.....	68 1/2	68 1/2	69 1/2	69 1/2	68 1/2	68
2d preferred.....	50	50 1/2	51	51 1/2	51	50 1/2
Illinois Central.....	134	134 1/2	135	135	134 1/2	135 1/2
Louisville & Nashville.....	102 1/2	102 1/2	103 1/2	104 1/2	104 1/2	103 1/2
Mexican Central.....	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
M. & K. & Tex., com.....	17	17	17 1/2	17 1/2	18	17 1/2
Preferred.....	35 1/2	35 1/2	36 1/2	37 1/2	37 1/2	37
National R.R. of Mex.....	40	40 1/2	40 1/2	40	40 1/2	40
1st preferred.....	121 1/2	121 1/2	123 1/2	123 1/2	123 1/2	123 1/2
N. Y. Cent. & Hudson.....	30 1/2	31 1/2	31 1/2	30 1/2	31 1/2	31
N. Y. Ontario & West.....	57 1/2	58	58 1/2	59	59	58 1/2
Portfolk & Western.....	90	89	89 1/2	90	90	89 1/2
Do do pref.....	87	87 1/2	88 1/2	89	89 1/2	88 1/2
Northern Securities.....	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2	23 1/2
Palmer & Road.....	39	39	39 1/2	39 1/2	39 1/2	39
Palmer & Road, 3d pref.....	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2	33 1/2
Southern Pacific.....	42 1/2	42 1/2	44 1/2	44 1/2	43 1/2	43 1/2
South. Railway, com.....	18 1/2	18 1/2	19 1/2	19 1/2	19 1/2	18 1/2
Preferred.....	76 1/2	76 1/2	77 1/2	77 1/2	77 1/2	77 1/2
Union Pacific.....	73 1/2	73 1/2	74 1/2	74 1/2	74 1/2	73 1/2
Preferred.....	86 1/2	87	87 1/2	87 1/2	87 1/2	87 1/2
U. S. Steel Corp., com.....	40	40 1/2	41 1/2	41 1/2	41 1/2	40 1/2
Do do pref.....	19	19	20	20	20	20
Wabash.....	32	32	32 1/2	32 1/2	32 1/2	32
Do preferred.....	55 1/2	55 1/2	56 1/2	56 1/2	56 1/2	56 1/2

* Price per share.

Commercial and Miscellaneous News

DIVIDENDS.

Name of Company.	Per Cent.	When Payable.	Books Closed. (Days Inclusive.)
Railroads (Steam).			
Chesapeake & Ohio.....	1 1/2	Nov 27	Holders of rec. Nov 9
Cleveland & Pittsburgh, guar. (quar.).....	1 1/2	Dec 1	Holders of rec. Nov 10
Mexican, 1st pref.....	1 1/2	Nov 8	Holders of rec. Nov 10
Mexican Southern ordinary.....	3	Nov 8	Holders of rec. Nov 10
Home Waterway & Ore (quar.).....	1 1/2	Nov 10	Holders of rec. Nov 10
Street Railways.			
Omey Island & Brooklyn (quar.).....	4	Nov 3	Oct 27 to Nov 2
Nassau Electric, Brooklyn, pref.....	4	Nov 14	Nov 6 to Nov 13
Union St. New Bedford, Mass. (quar.).....	2	Oct 31	Holders of rec. Oct 8
Banks.			
Nassau.....	4	Nov 3	Oct 29 to Nov 3
Trust Companies.			
Hamilton, Brooklyn (quar.).....	3	Nov 2	Oct 27 to Nov 1
Miscellaneous.			
American Chicle, com (monthly).....	1	Nov 20	Nov 18 to Nov 20
American Graphophone, pref. (quar.).....	1 1/2	Nov 18	Holders of rec. Nov 2
American Searing Machine, pf. (quar.).....	2	Nov 16	Holders of rec. Nov 2
Canaan Co., pref. (quar.).....	3	Nov 11	Nov 1 to Nov 10
Columbian & Rock Coal Iron, com (quar.).....	4	Nov 14	Nov 8 to Nov 18
Consolidated Gas, New York (quar.).....	2	Dec 15	Nov 8 to Dec 15
Eastern Steamship & Ore (quar.).....	1 1/2	Nov 18	Holders of rec. Oct 20
New Eng. Tel. & Tel. (quar.).....	1 1/2	Nov 14	Nov 2 to Nov 12
Pressed Steel Car, com (quar.).....	1	Nov 20	Nov 10 to Nov 20
Do do com. (extra).....	1	Nov 20	Nov 10 to Nov 20
Shelby Iron & Steel (quar.).....	1 1/2	Nov 25	Nov 8 to Nov 24
United Copper, pref. (quar.).....	3	Nov 3	Oct 30 to Nov 16
U. S. Bobbin & Shuttle, com. (quar.).....	51 50	Nov 3	Oct 21 to Nov 2
Do do pref. (quar.).....	51 75	Nov 3	Oct 21 to Nov 2
U. S. Printing (quar.).....	1	Jan 15	Holders of rec. Nov 2

Auction Sales.—Among other securities the following, not regularly dealt in at the Board, were recently sold at auction.

By Messrs. Adrian H. Muller & Son:

Stocks.	Bonds.
15 West Side Bank of N. Y. 576	\$500 Chamber of Commerce building bond..... 41
900 Consol. Green Mountain St. Louis Mines, Limited..... \$5 lot	\$1,000 Hamilton Club 2d 4s. 82
100 Buckeye Water Hydraulic Mining Co.....	\$2,000 North Hudson Co. Ry. Co. cons. 5s. 1928. J. & J. 108 1/2 and int.
250 N. Y. & No. Ry., com. 4 Pennacots & Allan..... \$290 lot	\$1,270 New England Loan & Tr. Co. of Des Moines, Iowa, deb. bonds Ser 36 (Farmers' Loan & Tr. Co. receipt). 8542 lot
200 5th Ave. Transportation Co., Limited.....	\$39,000 Lehigh Valley Co. 2d 5s. 1908. Jan. 1900, coupons on..... 25
150 White Hill Engine & Pictet Lee Machine Co., com.....	\$25,000 Quincy Granite Quarry Co. 1st 5s. 1930, Sept. 1902, coupons on..... \$25,825
150 White Hill Engine & Pictet Lee Machine Co., pref..... \$90 lot	\$55,000 note of Quincy Granite Quarry Co. (secured by \$100,000 Quincy Granite Quarry Co. 1st 5s. bonds)..... 101
500 Everett Iron Co.....	\$25,000 Quincy Granite Quarry Co. 1st 5s. 1930, Sept. 1902, coupons on..... \$25,825
54 Mercantile Nat. Bank..... 215	\$25,000 note of Quincy Granite Quarry Co. (secured by \$100,000 Quincy Granite Quarry Co. 1st 5s. bonds)..... 101
10 Old Dominion Bk. Co..... 120	
5 Leather Mfg. Nat. Bk..... 510	
110 Ohio Electric, pref..... 75	
10 Lawyers Title Ins. Co. 570	
11 Federal Bank (subscription to surplus paid)..... 100	
30 Federal Bank (subscription to surplus not paid)..... 100	
7 New York Tr. Co. 200 1/2	
191 Lehigh Valley Co. \$100 lot	
5 Wood's Cemetery \$145 per sh.	

Headstuffs Figures Brought from Page 1444.—The statements below are prepared by us from figures collected by the New York Produce Exchange. The receipts at Western lake and river ports for the week ending Oct. 31, and since Aug. 1, for each of the last three years have been:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	1910.	1911.	1912.	1913.	1914.	1915.
Chicago.....	104,828	709,394	2,404,301	2,234,000	617,000	91,000
Milwaukee.....	81,773	327,360	56,000	114,000	60,100	11,000
Duluth.....	183,000	1,407,700	.....	130,701	479,000	41,000
Minneapolis.....	2,389,810	47,900	900,100	194,000	.....	.....
Toledo.....	.....	58,500	114,500	.....	.....	.....
Detroit.....	7,700	12,000	35,000	71,174	.....	.....
Cleveland.....	15,485	9,600	103,000	138,333	1,000	.....
St. Louis.....	89,010	479,754	200,000	604,948	181,000	34,000
Peoria.....	14,830	58,000	898,000	800,000	104,000	1,000
Kansas City.....	.....	968,500	138,300	182,000	.....	.....
Total, 1910.....	584,500	2,550,148	3,641,155	4,795,100	2,071,000	151,000
Same wk. '11.....	584,094	2,070,430	3,535,014	4,671,700	2,107,000	151,000
Same wk. '12.....	559,790	2,507,960	3,600,188	2,910,000	1,801,000	151,000
Since Aug. 1, 1908.....	5,271,884	66,881,718	40,807,400	45,000,000	21,000,100	1,300,000
1909.....	5,008,741	100,234,777	37,505,500	38,474,484	17,319,717	1,000,000
1901.....	6,008,044	97,065,008	38,524,171	46,717,800	16,000,000	1,000,000

The receipts of flour and grain at the seaboard ports for the week ended Oct. 31, 1908, follow:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	1908.	1909.	1910.	1911.	1912.	1913.
New York.....	181,010	181,010	1,500,000	1,500,000	1,500,000	1,500,000
Boston.....	87,818	188,951	41,000	70,411	.....	.....
Montreal.....	40,123	508,895	818,000	32,311	.....	.....
Philadelphia.....	55,524	77,004	207,000	108,074	.....	.....
Baltimore.....	161,897	117,900	608,478	120,000	.....	.....
Richmond.....	2,315	38,704	50,148	17,194	.....	.....
New Orleans.....	15,300	174,000	19,000	31,000	.....	.....
Newport News.....	28,000	.....	.....	.....	.....	.....
Portland, Me.....	3,781	56,000	65,000	.....	.....	.....
Mobile.....	3,335	.....	6,300	.....	.....	.....
Quebec.....	18,388	.....	.....	.....	.....	.....
Total week.....	500,400	2,138,500	2,713,157	734,113	157,000	151,000
Week 1908.....	500,000	2,000,000	2,700,000	730,000	150,000	150,000

Total receipts at ports from Jan. 1 to Oct. 24 compare follows for four years:

Receipts at—	1908.	1909.	1910.	1911.
Flour.....	17,178,000	17,443,007	18,001,000	18,001,000
Wheat.....	18,443,100	111,923,900	155,508,100	155,508,100
Corn.....	18,443,100	111,923,900	155,508,100	155,508,100
Oats.....	48,911,810	48,911,810	48,911,810	48,911,810
Barley.....	3,988,710	3,988,710	3,988,710	3,988,710
Rye.....	2,835,200	2,835,200	2,835,200	2,835,200
Total grain.....	81,786,200	174,130,484	304,508,600	304,508,600

The exports from the several seaboard ports for the week ending Oct. 24, 1908, are shown in the annexed statement:

Exports from—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	1908.	1909.	1910.	1911.	1912.	1913.
New York.....	150,181	422,840	60,000	1,500,000	.....	.....
Boston.....	87,818	188,951	41,000	70,411	.....	.....
Philadelphia.....	55,524	77,004	207,000	108,074	.....	.....
Baltimore.....	161,897	117,900	608,478	120,000	.....	.....
Richmond.....	2,315	38,704	50,148	17,194	.....	.....
New Orleans.....	15,300	174,000	19,000	31,000	.....	.....
Newport News.....	28,000	.....	.....	.....	.....	.....
Portland, Me.....	3,781	56,000	65,000	.....	.....	.....
Mobile.....	3,335	.....	6,300	.....	.....	.....
Quebec.....	18,388	.....	.....	.....	.....	.....
Total week.....	1,430,023	1,508,938	805,227	74,000	3,387	50,000
Same time '08.....	1,430,023	1,508,938	805,227	74,000	3,387	50,000

The destination of these exports for the week and since July 1, 1908, is as below:

Exports for week and since July 1, 1908.	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	1908.	1909.	1910.	1911.	1912.	1913.
United Kingdom.....	100,000	3,304,000	808,818	12,224,170	1,150,777	1,000,000
Continental.....	70,846	782,748	643,703	9,070,000	1,150,777	1,000,000
U. S. & Canada.....	7,896	782,748	643,703	9,070,000	1,150,777	1,000,000
U. S. & Canada, 1st 5s. 1908.....	12,500	50,000	50,000	100,000	100,000	100,000
Other countries.....	100,000	100,000	100,000	100,000	100,000	100,000
Total.....	250,297	5,010,496	1,502,823	27,524,170	3,501,900	3,000,000
Same time '08.....	250,297	5,010,496	1,502,823	27,524,170	3,501,900	3,000,000

The visible supply of grain, comprising the stocks in granary at the principal points of accumulation at lake and seaboard ports, Oct. 24, 1908, was as follows:

Board ports, Oct. 24, 1910, was as follows:			
Interest—	Wheat,	Corn,	Oats,
New York.....	400,000	100,000	100,000
Boston.....	116,000	200,000	200,000
Philadelphia.....	338,000	343,000	343,000
Baltimore.....	507,000	507,000	507,000
Richmond.....	174,000	174,000	174,000
New Orleans.....	1,755,000	138,000	138,000
San Francisco.....	174,000	61,000	61,000
Portland.....	2,000		
Seattle.....	1,548,000	1,000,000	600,000
Do do.....			
Chicago.....	300,000	448,000	1,200,000
Do do.....			
St. Louis.....	170,000	110,000	215,000
Do do.....			
St. Paul.....	1,858,000	1,775,000	684,000
Do do.....			
Minneapolis.....	355,000	10,000	500,000
Do do.....			
W. Williams & P. A. R. A.			

Oct. 31, 1903.]

THE CHRONICLE.

1511

New York City Clearing House Banks.—Statement of condition for the week ending Oct. 24, 1903, based on average of daily results.

We omit two ciphers (00) in all cases.

BANKS.	Capital.	Surplus.	Loans.	Specie.	Legals.	Deposits.	Re- serves.
\$	\$	\$	\$	\$	\$	\$	P.O.
Br. of N. Y.	2,000.0	2,443.1	16,949.0	2,211.0	1,635.0	15,572.0	24.6
Bank of Am.	2,000.0	2,439.8	19,202.0	5,817.0	2,117.0	23,628.0	38.5
Chemical	2,000.0	1,347.0	11,111.3	2,210.0	1,700.0	12,806.4	29.2
City	2,000.0	2,747.8	12,818.0	2,572.9	1,440.0	12,779.0	31.3
Com. & F.	1,500.0	3,511.2	20,579.4	3,585.3	2,293.5	22,411.6	28.2
First Nat.	1,500.0	3,110.9	3,927.0	680.0	273.0	3,538.0	26.9
Fourth	25,000.0	16,852.2	134,615.3	31,538.8	6,306.9	126,487.0	30.1
Manhattan	300.0	7,461.2	38,895.5	5,143.9	1,774.9	23,499.2	29.2
Mech. & Tr.	300.0	342.3	7,165.2	223.8	501.2	4,337.4	27.3
Nat. City	300.0	2,907.2	7,571.7	714.9	564.6	4,980.1	25.7
Nat. Exch.	300.0	194.9	2,119.4	471.8	36.1	2,322.4	21.8
Nat. Sav.	300.0	370.6	3,866.0	391.0	409.0	3,966.0	21.5
Nat. Tr.	300.0	528.1	2,145.0	335.2	201.4	1,952.2	32.2
Tr. & Sav.	300.0	528.1	2,145.0	1,052.2	407.7	4,751.2	30.5
Union	300.0	4,018.1	29,097.0	3,025.0	1,931.0	20,776.0	23.7
Wash. & W.	300.0	10,000.0	127,780.2	19,790.2	7,381.2	107,809.5	25.2
Yonkers	300.0	4,423.6	22,385.8	4,093.4	1,128.1	19,532.2	26.2
Am. Exch.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Sav.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Tr.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. W.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. X.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Y.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Z.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. A.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. B.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. C.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. D.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. E.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. F.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. G.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. H.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. I.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. J.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. K.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. L.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. M.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. N.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. O.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. P.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Q.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. R.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. S.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. T.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. U.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. V.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. W.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. X.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Y.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Z.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. A.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. B.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. C.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. D.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. E.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. F.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. G.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. H.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. I.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. J.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. K.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. L.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. M.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. N.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. O.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. P.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Q.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. R.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. S.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. T.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. U.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. V.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. W.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. X.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Y.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Z.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. A.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. B.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. C.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. D.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. E.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. F.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. G.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. H.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. I.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. J.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. K.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. L.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. M.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. N.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. O.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. P.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Q.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. R.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. S.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. T.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. U.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. V.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. W.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. X.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Y.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Z.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. A.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. B.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. C.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. D.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. E.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. F.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. G.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. H.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. I.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. J.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. K.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. L.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. M.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. N.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. O.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. P.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. Q.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. R.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. S.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. T.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. U.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. V.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. W.	300.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Am. X.	300.0	3,000.0	3,000.0	3,0			

Bankers' Gazette.

For Dividends see page 1570

WALL STREET, FRIDAY, OCT. 30, 1903.—3 P. M.

The Money Market and Financial Situation.—Saturday's bank statement was more favorable than had been expected, and the low rates for call loans which had prevailed continued during the early part of this week. Under this influence chiefly and a more hopeful outlook for the copper industry, the security markets were active and strong until near the close on Tuesday. At that time news came from St. Louis that deposits were being withdrawn from some of the trust companies there, which caused apprehension and checked the buoyant feeling at the Stock Exchange. This run, if such it may be called, was of short duration and is no longer a disturbing factor, but it called for a large amount of currency from New York, and the outflow this week to St. Louis and other points has been very heavy. This in turn has caused a sharp advance in rates for both call and time loans and a decline in foreign exchange. Those who look for a speedy return of the funds shipped to St. Louis may be disappointed. The demand for crop-moving purposes has increased and a liberal supply of currency at that important distributing point would be of great benefit in the Southwest during the remainder of the year. As noted above, the foreign exchange market is easier. Sterling bills are selling only a fraction above the gold-importing point, and estimates are being made as to the probable shipments of gold from the other side. Such a movement in the near future, however, we regard as a matter of great uncertainty.

The open market rates for call loans on the Stock Exchange during the week on stock and bond collaterals have ranged from $3\frac{1}{4}$ to 5 per cent. To-day's rates on call were 4 to 5 per cent. Prime commercial paper quoted at $5\frac{1}{2}$ to 6 per cent for endorsements and $6\frac{1}{4}$ per cent for the best single names.

The Bank of England weekly statement on Thursday showed an increase in bullion of £787,500 and the percentage of reserve to liabilities was 49.00, against 44.90 last week, the discount rate remaining unchanged at 4 per cent. The Bank of France shows a decrease of 9,600,000 francs in gold and 3,435,000 francs in silver.

NEW YORK CITY CLEARING-HOUSE RANKS

	1903 Oct. 3d	Differences from previous week	1903 Oct. 3d	1901 Oct. 3d
	\$	\$	\$	\$
Capital	115,572.700	-----	100,672.700	81,722.700
Surplus	139,674.800	-----	117,667.800	98,842.700
Loans & discounts	297,728.000	Dec 1, 189,500	270,728.000	284,888.700
Circulation	45,263.600	Dec 1, 139.400	40,128.600	31,763.300
Net of deposits	539,714.800	Dec 2,636.800	583,685.300	954,492.100
Deposits	171,703.600	Dec 184.300	160,631.500	123,942.800
Legal tenders	68,666.600	Dec 161.300	69,490.800	70,894.400
Reserve held	240,372.100	Dec 3,000	234,452.800	253,387.300
25 p. c. of deposits	232,426.050	Dec 514.300	220,671,923	238,634,026

surplus reserve: 17,844,880.16 \$11,300 17,781,878 17,719,178
 * \$37,500,400 United States deposits included, against \$37,520,100 last week and \$40,055,400 the corresponding week of last year. With these United States deposits eliminated, the surplus reserve would be \$27,344,550 on October 24 and \$26,742,735 on October 17.
 Note.—Returns of separate banks appear on the preceding page.

Foreign Exchange.—The market for foreign exchange fell heavily this week, influenced by light demand for remittance, by a better supply of commercial and security bills, and chiefly by active money.

To-day's (Friday's) nominal rates for sterling exchange were 4 82½@4 83 for sixty day and 4 86@4 86½ for sight. To-day's (Friday's) actual rates for sterling exchange were 4 8160@4 8175 for long, 4 8495@4 8510 for short and 4 8550@4 8560 for cables. Commercial on banks, 4 8140@4 8150, and documents for payment, 4 805½@4 81%. Cotton for payment, 4 80½@4 80¾; cotton for acceptance, 4 8140@4 8150, and grain for payment, 4 81¾@4 81%.

To-day's (Friday's) actual rates for Paris bankers' francs were 5 20½¢ for long and 5 18½¢ for short. Germany bankers' marks were 94½¢ for long and 94 15-16¢ for short. Amsterdam bankers' guilders were 39 15-16¢ for long and 40 1-4¢ for short.

Exchange at Paris on London to-day, 25 f. 14 c.; week's range, 25 f. 14 c. high and 25 f. 14 c. low.

The week's range for exchange rates follows:

	Long.		Short.		Cables.	
Shipping Actual—						
High...	4 8320	3 4 8240	4 8580	3 4 8570	4 8610	3 4 8625
Low...	4 8180	4 4 8175	4 8495	4 4 8510	4 8550	4 4 8580
Paris Bankers' Prices—						
High...	5 20	3 5 19½	5 17½	3 5 17½		
Low...	5 20½	3 5 20	5 18½	3 5 18½		
Germany Bankers' Prices—						
High...	94½	3 94½½	95½	3 95½		
Low...	94½	3 94½	94½	3 95		
American Bankers' Quotations—						
High...	40	3 40	40½	3 40½		
Low...	39½	3 40	40½	3 40½		

The following were the rates for domestic exchange on New York at the under-mentioned cities to-day: Savannah, 82½¢, per \$1,000 discount; Charleston, 50¢, per \$1,000 discount; New Orleans, bank, \$1 per \$1,000 discount; commercial, \$1.50 at \$1.25 per \$1,000 discount; Chicago, 80@40¢, per \$1,000 discount; St. Louis, par discount; San Francisco, 35¢, per \$1.00 premium.

State and Railroad Bonds.—No sales of State bonds have been reported at the Exchange this week.

The market for railway bonds has been somewhat more active than last week, the transactions on Tuesday amounting to \$4,700,000, par value. The demand for high-grade issues has continued, but was less conspicuous than last week reported. Although prices have generally receded from the best, they still compare favorably with the close last week.

United States Steel 5s, which were this week listed on the Exchange, have been the most active bonds and covered a range of over a point, closing practically without change.

United States Bonds.—Sales of Government bonds at the Board include \$9,000 2s, coup., 1930, at 107½; \$3,750 2s, coup., 1909-18, at 109½ to 110; \$35,000 3s, reg., 1908-18, at 109½; \$7,000 4s, reg., 1907, at 111½ to 112, and \$5,000 4s, reg., 1918, at 135½. The following are the daily closing quotations for yearly range see third page following.

		Interest Periods	Oct. 24	Oct. 26	Oct. 27	Oct. 28	Oct. 29	Oct. 30
38, 1930.....	registered	Q-Jan	*107*	*107*	*107*	*107*	*107*	*107*
38, 1930.....	coupon	Q-Feb	*107*	*107*	*107*	*107*	*107*	*107*
38, 1930.....	small registered	Q-Jan	.....	.....	.....	.....	.....	.....
38, 1930.....	small coupon	Q-Feb	.....	.....	.....	.....	.....	.....
38, 1930.....	small registered	Q-Feb	*108	*108	*108*	*108*	*108*	*108*
38, 1930.....	small coupon	Q-Feb	*108*	*108*	*108	*108*	*108*	*108*
38, 1930.....	small registered	Q-Feb	*106	*106	*106*	*106*	*106*	*106*
38, 1930.....	small coupon	Q-Feb	*111	*111	*111*	*111*	*111*	*111*
38, 1930.....	small registered	Q-Jan	*112	*112	*112*	*112*	*112*	*112*
38, 1930.....	small coupon	Q-Jan	*112*	*112*	*112*	*112*	*112*	*112*
38, 1930.....	small registered	Q-Feb	*125*	*125*	*125*	*125*	*125*	*125*
38, 1930.....	small coupon	Q-Feb	*125*	*125*	*125*	*125*	*125*	*125*
38, 1930.....	small registered	Q-Feb	*101*	*101*	*101*	*101*	*101*	*101*
38, 1930.....	small coupon	Q-Feb	*101*	*101*	*101*	*101*	*101*	*101*

*This is the price bid at the morning board; no sale was made.

Railroad and Miscellaneous Stocks.—The stock market under influences noted above, has been irregular, both in volume of business and the movement of prices. On Monday and Tuesday the tone was strong and changes of price were generally to a higher level. On the last named day over 722,000 shares were traded in. On Wednesday there was a hesitating tendency, with the volume of business greatly reduced, and on Thursday the market was weak while the transactions aggregated only about 274,000 shares. To-day's market has been even more dull and featureless, with N. Y. Central, Balt. & Ohio and Manhattan Elevated the only active railroad stocks that did not fractionally decline.

North West, covered a range of 6½ points and closed with a gain of 4 points. Lackawanna, on limited transaction, advanced over 7 points, and retains a large part of the gain. Pennsylvania has been unusually active, and when at its highest showed a gain of over two points. Atchafalaya, Missouri Pacific and the principal local transportation issues have been strong features.

Amalgamated Copper has been very active on the peculiar position in which the company has been placed. It advanced 4 points during the early part of the week, about half of which it has retained. The United States Steel issues have been steady to firm. New York Air Brake covered a range of 8 1/4 points. Westinghouse 8 and General Electric 6 points.

For daily volume of business see page 1583.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow.

STOCKS		Range for Week		Range Since Jan. 1	
Week Ending Oct. 30					
Allis-Chalmers Co.	300	8 1/4 Oct 27	8 1/4 Oct 26	8 Oct	32 1/2
Amer Beet Sugar, pref.	100	73 Nov 24	73 Oct 24	73 Oct	32 1/2
Amer Steel Foundries	1,320	4 1/2 Nov 34	4 1/2 Oct 27	4 1/2	32 1/2
Amer Telog & Cable	125	78 1/2 Oct 26	78 1/2 Oct 27	77 1/2	32 1/2
Cleve Lor & Wheel, pref	100	10 1/2 Oct 26	10 1/2 Oct 26	10 1/2	32 1/2
General Chemical, pref.	95	95 Oct 23	95 Oct 26	95 Oct	32 1/2
Homesake Mining	100	55 Oct 27	55 Oct 27	55 Aug	32 1/2
Illinois Cent leased line	83	10 1/4 Oct 27	10 1/4 Oct 26	10 1/4	32 1/2
Int'l Paper, stamping	400	18 1/2 Oct 26	18 1/2 Oct 26	18 1/2	32 1/2
Procter & Gamble	50	76 Oct 28	76 Oct 28	76 Oct	32 1/2
N Y Dock, pref	17	41 Oct 27	41 Oct 27	40 1/2	32 1/2

Outside Market—Extreme dullness has prevailed in the market for unlisted securities this week, more attention being paid at times to election betting than to the buying and selling of securities. Prices displayed strength in the early trading, but at the close on Tuesday weakness developed and throughout the rest of the week the trend in prices, in most instances, was downward. Standard Oil stock was again the feature of the week, advancing from 655½ to 694½; to-day there was a reaction to 686; these shares have gained 74½ points in the last two weeks. Northern Securities stock moved up 4 points to 89 in the early part of the week, then weakness developed and the price moved down to 86; the close to-day in this stock at 87½; total transactions for the week in this stock aggregated, it is estimated, about 7,000 shares. St. Louis Transit dropped 1½ points to 14½. American Car company sank 1 point to 2½ and closed to-day at 2½; the preferred advanced from 27½ to 29 early in the week, but to-day it declined to 27½; the close was at 27½. International Mercantile Marine issues have been very dull. The common red title Marine issues have been 4½ to 4; the preferred gained 8½ points to 17½. Electric Boat preferred Wednesday sold at 47, a gain of 5 points over the last previous sale, about two weeks ago; on Thursday it dropped to 44 and to-day moved up again to 46. Greene Consolidated Copper advanced from 15½ to 18½, and then receded to 16½; the last sale was at 16½. After a gain of 3 points to 3½ Tennessee Copper reacted to 29½; the close to-day was at 30½. White Knob Copper gained a point to 11, but subsequently it fell back again to 10.

Outside quotations will be found on page 1033.

New York Stock Exchange—Stock Record, Daily, Weekly and Yearly

OCCUPYING TWO PAGES

STOCKS—HIGHEST AND LOWEST SALE PRICES

Monday Oct. 26	Tuesday Oct. 27	Wednesday Oct. 28	Thursday Oct. 29	Friday Oct. 30
34 34	35 35	35 35	35 35	35 35
35 35	36 36	36 36	36 36	36 36
36 36	37 37	37 37	37 37	37 37
37 37	38 38	38 38	38 38	38 38
38 38	39 39	39 39	39 39	39 39
39 39	40 40	40 40	40 40	40 40
40 40	41 41	41 41	41 41	41 41
41 41	42 42	42 42	42 42	42 42
42 42	43 43	43 43	43 43	43 43
43 43	44 44	44 44	44 44	44 44
44 44	45 45	45 45	45 45	45 45
45 45	46 46	46 46	46 46	46 46
46 46	47 47	47 47	47 47	47 47
47 47	48 48	48 48	48 48	48 48
48 48	49 49	49 49	49 49	49 49
49 49	50 50	50 50	50 50	50 50
50 50	51 51	51 51	51 51	51 51
51 51	52 52	52 52	52 52	52 52
52 52	53 53	53 53	53 53	53 53
53 53	54 54	54 54	54 54	54 54
54 54	55 55	55 55	55 55	55 55
55 55	56 56	56 56	56 56	56 56
56 56	57 57	57 57	57 57	57 57
57 57	58 58	58 58	58 58	58 58
58 58	59 59	59 59	59 59	59 59
59 59	60 60	60 60	60 60	60 60
60 60	61 61	61 61	61 61	61 61
61 61	62 62	62 62	62 62	62 62
62 62	63 63	63 63	63 63	63 63
63 63	64 64	64 64	64 64	64 64
64 64	65 65	65 65	65 65	65 65
65 65	66 66	66 66	66 66	66 66
66 66	67 67	67 67	67 67	67 67
67 67	68 68	68 68	68 68	68 68
68 68	69 69	69 69	69 69	69 69
69 69	70 70	70 70	70 70	70 70
70 70	71 71	71 71	71 71	71 71
71 71	72 72	72 72	72 72	72 72
72 72	73 73	73 73	73 73	73 73
73 73	74 74	74 74	74 74	74 74
74 74	75 75	75 75	75 75	75 75
75 75	76 76	76 76	76 76	76 76
76 76	77 77	77 77	77 77	77 77
77 77	78 78	78 78	78 78	78 78
78 78	79 79	79 79	79 79	79 79
79 79	80 80	80 80	80 80	80 80
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81 81	82 82	82 82	82 82	82 82
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83 83	84 84	84 84	84 84	84 84
84 84	85 85	85 85	85 85	85 85
85 85	86 86	86 86	86 86	86 86
86 86	87 87	87 87	87 87	87 87
87 87	88 88	88 88	88 88	88 88
88 88	89 89	89 89	89 89	89 89
89 89	90 90	90 90	90 90	90 90
90 90	91 91	91 91	91 91	91 91
91 91	92 92	92 92	92 92	92 92
92 92	93 93	93 93	93 93	93 93
93 93	94 94	94 94	94 94	94 94
94 94	95 95	95 95	95 95	95 95
95 95	96 96	96 96	96 96	96 96
96 96	97 97	97 97	97 97	97 97
97 97	98 98	98 98	98 98	98 98
98 98	99 99	99 99	99 99	99 99
99 99	100 100	100 100	100 100	100 100

NEW YORK STOCK EXCHANGE

Stocks	Lowest	Highest
Ann Arbor	31 Oct 17	41 Jan 10
Atch. Topeka & Santa Fe	138 243 54 Aug 10	89% Jan 10
Do prof.	60 800 715 Sep 20	104 Jan 9
Do prof.	960 824 J'ly 25	963 Feb 11
Brooklyn Rapid Transit	57 035 29% Sep 28	71% Feb 17
Buffalo Roch. & Pittsbg.	100 124 Jan 8	150 Feb 9
Do prof.	140 Sep 18	160 Feb 9
Canadian Southern	16 880 115 Oct 14	138% Feb 10
Central of New Jersey	800 57% Sep 24	78% Jan 5
Chesapeake & Ohio	410 153 Oct 17	190 Jan 19
Chicago & Alton	8 120 27% Aug 6	53% Jan 19
Chicago & Great Western	11 800 18% Sep 28	37% Jan 8
Chicago & North Western	1 000 6% Sep 29	73% Jan 9
Chicago & St. Paul	1 170 J'ly 29	1184 Mar 12
Chicago & East. Ill. prof.	100 105 J'ly 25	138% Jan 29
Chicago & West. Ill. prof.	3 090 13 Aug 6	29% Jan 9
Do 4 p.c. debentures	85% Sep 28	90% Jan 9
Do 5 p.c. pref. "A"	800 24 Sep 28	46% Feb 5
Do 4 p.c. pref. "B"	800 24 Sep 28	46% Feb 5
Chicago Milw. & St. Paul	82 887 13% Aug 6	1184 Jan 7
Do prof.	790 163 Aug 10	194% Jan 9
Chicago & North Western	5 530 153 Sep 22	224% Jan 14
Do prof.	1 000 6% Sep 29	73% Jan 9
Chic. Rock Is. & Pacific	132 Oct 13	200% Jan 9
Chic. St. P. Minn. & Om.	190 117 J'ly 14	162 Jan 21
Do prof.	190 May 11	194 Jan 9
Chicago Term'l Transfer	400 8 Aug 6	19% Jan 9
Do prof.	1 140 15 Sep 24	36 Jan 8
Chicago Union Tract.	11 700 3 Mar 23	17 Jan 10
Do prof.	1 000 30 May 22	50% Jan 14
Cleve. Cin. Chic. & St. L.	1 012 86 Aug 10	98% Jan 6
Colorado & So. vot. trust	113 J'ly 26	119 Jan 27
Do 1st pf. vot. tr. cts.	4 135 44% Aug 6	72 Jan 9
Do 2d pf. vot. tr. cts.	2 110 17 Aug 6	43 Jan 8
Delaware & Hudson	1 100 149 Aug 10	183% Feb 2
Delaw. Lack. & West'n	1 600 230 Oct 12	276% Jan 8
Denver & Rio Grande	8 700 44 Oct 13	43 Feb 9
Do prof.	170 64 Oct 12	90% Feb 9
Des Moines & Ft. Dodge	400 12 Sep 29	47% Jan 8
Detroit South. vot. tr. cts.	600 7% Aug 6	20% Jan 2
Do prof. vot. tr. cts.	900 15% Aug 6	39% Jan 2
Detroit Union Tract.	1 000 5% Oct 14	60 Jan 8
Duquoin & So. shore & Ad.	7 Aug 5	19% Feb 10
Do prof.	10% Sep 28	29% Feb 18
Erie	58 070 23 Aug 8	42% Jan 9
Do 1st pref.	10 714 62% Apr 13	74 Feb 5
Do 2d pref.	8 700 44 Oct 13	64 Feb 5
Evansv. & Term'l Tract.	6 620 39% J'ly 27	72 Jan 9
Do prof.	78 Aug 11	91 Jan 8
Ft. Worth & Den. C. stmp.	100 31 Sep 29	74% Feb 24
Great Northern, pref.	180 Oct 12	209 Jan 22
Green Bay & W. deb. cts. A	60 Mar 15	85 Jan 9
Do deb. cts. B	10 Aug 1	27 Jan 9
Hocking Valley	1 700 63 Sep 25	108% Feb 20
Do prof.	2 670 77 Oct 19	99% Mar 2
Illinois Central	3 642 125 J'ly 15	151 Jan 10
Low Central	100 10 J'ly 27	48 Jan 12
Do prof.	100 30 J'ly 27	48 Jan 12
Kanawha & Mich.	25% Oct 9	47% Jan 8
Kan. P. & S. M. tr. cts. pf.	1 380 62 Oct 12	82% Feb 26
Kansas City So. vot. tr.	400 14 Oct 8	38% Jan 12
Do prof. vot. tr. cts.	380 26 Oct 8	61% Jan 12
Keokuk & Des Moines	110 20 Oct 20	40 Mar 2
Do prof.	43 J'ly 15	85% Apr 23
Lake Erie & Western	225 24 Oct 15	53 Jan 8
Do prof.	90 Oct 13	118 Feb 8
L. Shore & Mich. South'n	3276 Oct 9	9334 Jan 5
Long Island	900 15 Oct 8	83 Jan 9
Louisville & Nashville	19 850 95 Sep 23	130% Jan 8
Manhattan Elevated	9 210 128% Sep 28	155% Jan 14
Metrop. Secur. sub. reb.	3 800 70% J'ly 24	128% Jan 6
Metropolitan Street	19 260 99% Sep 29	142% Jan 6
Mt. Side El. (Chic.)	100 18 Oct 18	38 Jan 8
Do prof.	53% Oct 14	88 Jan 20
Mexican Central	5 880 9% Oct 23	29 Mar 23
Michigan Central	102 May 20	135 Jan 15
Minneapolis & St. Louis	720 41 Oct 12	110 Jan 9
Minn. S. P. & S. Mar.	1 835 42 Aug 7	79% Feb 19
Do prof.	1 800 109% J'ly 26	132% Feb 17
Mo. Kansas & Texas	2 415 13% Oct 19	30% Jan 5
Do prof.	3 900 33 Oct 12	63% Feb 10
Missouri Pacific	180 480 115% Aug 10	115% Jan 9
Nash. Chatt. & St. Louis	85 Oct 15	161 Feb 8
Nat. of Mex. non-cum. pf.	150 34 Mar 2	47% May 27
Do 2d pref.	64 J'ly 19	29 Jan 30
N. Y. Central & Hudson	17 492 112% J'ly 18	158 Jan 10
N. Y. Chic. & St. Louis	1 000 19% Oct 23	45 Jan 27
Do 2d pref.	100 Oct 6	118 Jan 10
N. Y. N. Haven & Hartf.	600 50 Sep 28	87 Jan 19
N. Y. Ontario & Western	281 187% May 25	225% Jan 9
Norfolk & Western	8 508 19 Sep 28	35% Feb 5
Do adjustment pref.	5 850 54% Oct 15	74% Feb 10
Pacific Coast Co.	10 39% Sep 29	72 Jan 10
Do 1st pref.	80 J'ly 30	100% Jan 13
Do 2d pref.	300 50% Aug 11	76 Jan 28
Pennsylvania	193 930 115% Sep 28	157% Jan 10
Pere Marquette	215 J'ly 24	39 Jan 8
Do prof.	300 J'ly 27	91% May 7
Pittsbg. Cin. Chic. & St. L.	400 55 Sep 29	176 Sep 17
Do prof.	90 Oct 7	115 Jan 17
Reading, vot. tr. cts.	75 800 41% J'ly 20	89% Jan 7
Rialt pref. vot. tr. cts.	703 73 Sep 28	89% Feb 5
2d pref. vot. tr. cts.	400 60 J'ly 20	81 Jan 6
Rock Island Company	67 560 19% Aug 6	53% Jan 9
Do prof.	3 183 55% Sep 28	88 Jan 9
Rutland	30 Aug 11	72 Jan 28
St. Joseph & Gr'd Island	7 Oct 1	15% Jan 2
Do 1st pref.	100 32 Oct 12	58 Jan 6
Do 2d pref.	100 31 Oct 1	24% Jan 10

Range for Year 1903

Lowest	Highest
31 Oct 17	41 Jan 10
138,243 54 Aug 10	89% Jan 10
7,000 100 100	104 Jan 9
60,800 715 Sep 20	100 Jan 9
960 824 J'ly 25	963 Feb 11
57,035 29% Sep 28	71% Feb 17
100 124 Jan 8	150 Feb 9
140 Sep 18	160 Feb 9
16,880 115 Oct 14	138% Feb 10
800 57% Sep 24	78% Jan 5
410 153 Oct 17	190 Jan 19
8,120 27% Aug 6	53% Jan 19
11,800 18% Sep 28	37% Jan 8
1,000 6% Sep 29	73% Jan 9
1,170 J'ly 29	1184 Mar 12
100 105 J'ly 25	138% Jan 29
3,090 13 Aug 6	29% Jan 9
85% Sep 28	90% Jan 9
800 24 Sep 28	46% Feb 5
800 24 Sep 28	46% Feb 5
82,887 13% Aug 6	1184 Jan 7
790 163 Aug 10	194 Jan 9
5,530 153 Sep 22	224% Jan 14
1,000 6% Sep 29	73% Jan 9
132 Oct 13	200% Jan 9
190 117 J'ly 14	162 Jan 21
190 May 11	194 Jan 9
400 8 Aug 6	19% Jan 9
1,140 15 Sep 24	36 Jan 8
11,700 3 Mar 23	17 Jan 10
1,000 30 May 22	50% Jan 14
1,012 86 Aug 10	98% Jan 6
113 J'ly 26	119 Jan 27
31 J'ly 24	31 Jan 27
4,135 44% Aug 6	72 Jan 9
2,110 17 Aug 6	43 Jan 8
1,100 149 Aug 10	183% Feb 2
1,600 230 Oct 12	276% Jan 8
8,700 44 Oct 13	43 Feb 9
170 64 Oct 12	90% Feb 9
400 12 Sep 29	47% Jan 8
600 7% Aug 6	20% Jan 2
900 15% Aug 6	39% Jan 2
1,000 5% Oct 14	60 Jan 8
7 Aug 5	19% Feb 10
10% Sep 28	29% Feb 18
58,070 23 Aug 8	42% Jan 9
10,714 62% Apr 13	74 Feb 5
8,700 44 Oct 13	64 Feb 5
6,620 39% J'ly 27	72 Jan 9
78 Aug 11	91 Jan 8
31 Sep 29	74% Feb 24
180 Oct 12	209 Jan 22
60 Mar 15	85 Jan 9
10 Aug 1	27 Jan 9
1,700 63 Sep 25	108% Feb 20
2,670 77 Oct 19	99% Mar 2
3,642 125 J'ly 15	151 Jan 10
100 J'ly 27	48 Jan 12
100 30 J'ly 27	48 Jan 12
25% Oct 9	47% Jan 8
1,380 62 Oct 12	82% Feb 26
400 14 Oct 8	38% Jan 12
380 26 Oct 8	61% Jan 12
110 20 Oct 20	40 Mar 2
43 J'ly 15	85% Apr 23
225 24 Oct 15	53 Jan 8
90 Oct 13	118 Feb 8
3276 Oct 9	9334 Jan 5
900 15 Oct 8	83 Jan 9
19,850 95 Sep 23	130% Jan 8
9,210 128% Sep 28	155% Jan 14
3,800 70% J'ly 24	128% Jan 6
19,260 99% Sep 29	142% Jan 6
100 18 Oct 18	38 Jan 8
53% Oct 14	88 Jan 20
9% Oct 23	29 Mar 23
102 May 20	135 Jan 15
720 41 Oct 12	110 Jan 9
1,835 42 Aug 7	79% Feb 19
1,800 109% J'ly 26	132% Feb 17
2,415 13% Oct 19	30% Jan 5
3,900 33 Oct 12	63% Feb 10
180,480 115% Aug 10	115% Jan 9
85 Oct 15	161 Feb 8
150 34 Mar 2	47% May 27
64 J'ly 19	29 Jan 30
17,492 112% J'ly 18	158 Jan 10
1,000 19% Oct 23	45 Jan 27
100 Oct 6	118 Jan 10
600 50 Sep 28	87 Jan 19
281 187% May 25	225% Jan 9
8,508 19 Sep 28	35% Feb 5
5,850 54% Oct 15	74% Feb 10
10 39% Sep 29	72 Jan 10
80 J'ly 30	100% Jan 13
300 50% Aug 11	76 Jan 28
193,930 115% Sep 28	157% Jan 10
215 J'ly 24	39 Jan 8
300 J'ly 27	91% May 7
400 55 Sep 29	176 Sep 17
90 Oct 7	115 Jan 17
75,800 41% J'ly 20	89% Jan 7
703 73 Sep 28	89% Feb 5
400 60 J'ly 20	

STOCKS—HIGHEST AND LOWEST SALE PRICES

STOCKS—HIGHEST AND LOWEST SALE PRICES					STOCKS		Sales of the Week Shares		Range for Year 1903 On basis of 100-share lots		Range for Year 1902 On basis of 100-share lots	
Saturday Oct. 24	Monday Oct. 26	Tuesday Oct. 27	Wednesday Oct. 28	Thursday Oct. 29	Friday Oct. 30	NEW YORK STOCK EXCHANGE	Lowest	Highest	Lowest	Highest	Lowest	Highest
70	70	60	60	60	55	St. L. & S. Fr. J. P. M. & Co. et al.	100	38	7 1/2	28	90	Feb 24
45	45	40	40	40	40	Do 1st pref.	2,850	88	Aug 18	78	Feb 24	77
145	145	145	145	145	145	Do 2d pref.	1,000	42	Sep 29	78	Feb 24	77
112	112	112	112	112	112	St. Louis Southwestern	420	12	Aug 5	30	July 15	29
12	12	12	12	12	12	Do pref.	1,800	24	Aug 10	66	Jan 7	24
40	40	41	42	42	42	Southern Pacific Co.	75,150	38	Sep 28	68	Mar 19	58
17	17	17	18	18	17	Southern v. tr. cfs. stamped	8,603	16	Oct 12	38	Jan 9	38
73	73	74	74	74	74	Do 2d pref.	800	85	Jan 10	98	Feb 8	89
30	30	23	23	23	23	M. & O. stock tr. cfs.	18,280	20	Aug 10	43	Feb 8	39
102	102	100	100	100	100	Texas & Pacific	310	100	Oct 14	128	Jan 2	123
18	18	18	18	18	18	Third Avenue (N. Y.)	130	17	Oct 10	37	Jan 12	37
16	16	17	17	17	17	Toledo Railways & Light	2,500	17	Oct 10	37	Jan 12	37
25	25	25	25	25	25	Do 2d pref.	1,070	24	Sep 28	31	Jan 9	24
80	80	80	80	80	80	Do pref. vot. tr. cfs.	1,795	79	Oct 11	122	Jan 23	107
70	71	71	72	72	71	Twin City Rapid Transit	153	153	June 2	104	Jan 12	104
84	84	84	84	84	84	Do pref.	144,600	85	Aug 8	158	Jan 9	158
110	110	110	110	110	110	Union Pacific	1,590	159	Aug 8	158	Jan 9	158
18	18	18	18	18	18	Unit Ry. & Tr. of San Fran	150	10	Oct 14	14	Jan 9	14
16	16	17	17	17	16	Do pref.	858	35	July 27	64	Jan 8	35
25	25	25	25	25	25	Wabash	12,350	16	Oct 12	32	Feb 27	21
18	18	18	18	18	18	Do pref.	42,930	17	Sep 28	65	Feb 24	27
44	44	45	45	45	44	Wheeling & Lake Erie	3,200	13	Oct 12	67	Feb 9	17
15	15	15	15	15	15	Do 1st pref.	470	41	Oct 12	67	Feb 9	17
34	34	34	34	34	34	Do 2d pref.	17	20	Sep 28	38	Feb 8	30
20	20	20	20	20	20	Wisconsin Cent. v. tr. cfs.	2,215	14	Oct 14	29	Feb 9	19
20	20	20	20	20	20	Do pref. vot. tr. cfs.	1,700	34	Sep 28	55	Feb 9	39
220	220	220	220	220	220	Industrial & Miscellaneous	80	3204	Jan 20	285	Feb 11	118
34	34	34	34	34	34	Amalgamated Copper	209,975	33	Oct 15	75	Mar 12	33
66	66	67	67	67	66	American Car & Foundry	18,310	17	Oct 15	41	Jan 19	23
28	28	28	28	28	28	Do pref.	2,840	61	Oct 14	93	Jan 6	80
80	80	80	80	80	80	American Cotton Oil	25	25	Aug 5	40	Feb 20	30
24	24	24	24	24	24	American Dist. Telegraph	90	25	Sep 21	41	Feb 10	30
185	185	185	185	185	185	American Express	100	171	Aug 10	235	Feb 6	210
2	2	2	2	2	2	American Grass Twine	310	6	July 29	23	Jan 7	27
10	10	10	10	10	10	Amer. Hide & Leather	100	10	Oct 30</			

BANKS AND TRUST COMPANIES—BROKERS' QUOTATIONS

Banks		Bid	Ask	Banks		Bid	Ask	Trust Co's		Bid	Ask	Trust Co's		Bid	Ask	Trust Co's		Bid	Ask
Yorick 1	175			ROBERTS				Trust Co's				Trust Co's					Trust Co's		
Wash. & Ind.	175			Manufact.	325			N. Y. CITY				Morton Trust	870	885			Windsor		
Wash. & Ind.	175			Mechanics	220	220		Banks' Tr	270	290		Met. Alliance	725	750			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Bowling Green	127			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Broadway Tr	147 1/2	152 1/2		N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			City & Sub	1400			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Central Tr	1900	2200		N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			City Trust	305			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Colonial	890	925		N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Continental	650	70		N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Eastern Tr	130	140		N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Empire State	150	160		N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash	240			N. Y. Life Tr	1120	1150			Brooklyn	275	280
Wash. & Ind.	175			Mechanics	115			Wabash											

OCCUPYING FOUR PAGES

MISCELLANEOUS BONDS—Continued on Next Page

a Due Jan d Due Apr e Due May g Due June h Due July i Due Aug p Due Nov q Due Dec r Option sale

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MISCELLANEOUS BONDS—Continued on Next Page

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Telegraph and Telephone

Coal and Iron		Telegraph and Telephone	
Mc Conn Min See T O L & R	J-J	Am Telegraph & Tel co l g s. 1929	J-J
Mc Conn Dev Co gr g s. 1909	J-J	Comm Cable Co l st g s. 2397	J-J
Mc Conn Coal gen g s. 1910	J-J	Registered	J-J
Mc Conn & Co gen g s. 1942	A	Erie T & Tel co l g s. 1928	J-J
Mc Conn & Co l g s. 1911	F-A	Met T & Tel g s. 1918	M-N
Mc Conn & Co l g s. 1919	F-A	Met Un Tel co l g s. 1918	M-N
Mc Conn & Co l g s. 1921	J-D	N Y & N J Tel gen g s. 1920	M-N
Mc Conn & Co l g s. 1926	J-D	No Westn Tele See West Un	J-J
Mc Conn & Co l g s. 1931	J-D	West Union Tel co l g s. 1928	J-J
Mc Conn & Co l g s. 1936	J-D	West and real co l g s. 1950	M-N
Mc Conn & Co l g s. 1941	J-D	West Un Tel co l g s. 1918	J-J
Mc Conn & Co l g s. 1946	M-N	Northwestern Tel 7a. 1904	J-J
Mc Conn & Co l g s. 1951	J-J		
Mc Conn & Co l g s. 1956	J-J		
Mc Conn & Co l g s. 1961	J-J		
Mc Conn & Co l g s. 1966	J-J		
Mc Conn & Co l g s. 1971	J-J		
Mc Conn & Co l g s. 1976	J-J		
Mc Conn & Co l g s. 1981	J-J		
Mc Conn & Co l g s. 1986	J-J		
Mc Conn & Co l g s. 1991	J-J		
Mc Conn & Co l g s. 1996	J-J		
Mc Conn & Co l g s. 2001	J-J		
Mc Conn & Co l g s. 2006	J-J		
Mc Conn & Co l g s. 2011	J-J		
Mc Conn & Co l g s. 2016	J-J		
Mc Conn & Co l g s. 2021	J-J		
Mc Conn & Co l g s. 2026	J-J		
Mc Conn & Co l g s. 2031	J-J		
Mc Conn & Co l g s. 2036	J-J		
Mc Conn & Co l g s. 2041	J-J		
Mc Conn & Co l g s. 2046	J-J		
Mc Conn & Co l g s. 2051	J-J		
Mc Conn & Co l g s. 2056	J-J		
Mc Conn & Co l g s. 2061	J-J		
Mc Conn & Co l g s. 2066	J-J		
Mc Conn & Co l g s. 2071	J-J		
Mc Conn & Co l g s. 2076	J-J		
Mc Conn & Co l g s. 2081	J-J		
Mc Conn & Co l g s. 2086	J-J		
Mc Conn & Co l g s. 2091	J-J		
Mc Conn & Co l g s. 2096	J-J		
Mc Conn & Co l g s. 2101	J-J		
Mc Conn & Co l g s. 2106	J-J		
Mc Conn & Co l g s. 2111	J-J		
Mc Conn & Co l g s. 2116	J-J		
Mc Conn & Co l g s. 2121	J-J		
Mc Conn & Co l g s. 2126	J-J		
Mc Conn & Co l g s. 2131	J-J		
Mc Conn & Co l g s. 2136	J-J		
Mc Conn & Co l g s. 2141	J-J		
Mc Conn & Co l g s. 2146	J-J		
Mc Conn & Co l g s. 2151	J-J		
Mc Conn & Co l g s. 2156	J-J		
Mc Conn & Co l g s. 2161	J-J		
Mc Conn & Co l g s. 2166	J-J		
Mc Conn & Co l g s. 2171	J-J		
Mc Conn & Co l g s. 2176	J-J		
Mc Conn & Co l g s. 2181	J-J		
Mc Conn & Co l g s. 2186	J-J		
Mc Conn & Co l g s. 2191	J-J		
Mc Conn & Co l g s. 2196	J-J		
Mc Conn & Co l g s. 2201	J-J		
Mc Conn & Co l g s. 2206	J-J		
Mc Conn & Co l g s. 2211	J-J		
Mc Conn & Co l g s. 2216	J-J		
Mc Conn & Co l g s. 2221	J-J		
Mc Conn & Co l g s. 2226	J-J		
Mc Conn & Co l g s. 2231	J-J		
Mc Conn & Co l g s. 2236	J-J		
Mc Conn & Co l g s. 2241	J-J		
Mc Conn & Co l g s. 2246	J-J		
Mc Conn & Co l g s. 2251	J-J		
Mc Conn & Co l g s. 2256	J-J		
Mc Conn & Co l g s. 2261	J-J		
Mc Conn & Co l g s. 2266	J-J		
Mc Conn & Co l g s. 2271	J-J		
Mc Conn & Co l g s. 2276	J-J		
Mc Conn & Co l g s. 2281	J-J		
Mc Conn & Co l g s. 2286	J-J		
Mc Conn & Co l g s. 2291	J-J		
Mc Conn & Co l g s. 2296	J-J		
Mc Conn & Co l g s. 2301	J-J		
Mc Conn & Co l g s. 2306	J-J		
Mc Conn & Co l g s. 2311	J-J		
Mc Conn & Co l g s. 2316	J-J		
Mc Conn & Co l g s. 2321	J-J		
Mc Conn & Co l g s. 2326	J-J		
Mc Conn & Co l g s. 2331	J-J		
Mc Conn & Co l g s. 2336	J-J		
Mc Conn & Co l g s. 2341	J-J		
Mc Conn & Co l g s. 2346	J-J		
Mc Conn & Co l g s. 2351	J-J		
Mc Conn & Co l g s. 2356	J-J		
Mc Conn & Co l g s. 2361	J-J		
Mc Conn & Co l g s. 2366	J-J		
Mc Conn & Co l g s. 2371	J-J		
Mc Conn & Co l g s. 2376	J-J		
Mc Conn & Co l g s. 2381	J-J		
Mc Conn & Co l g s. 2386	J-J		
Mc Conn & Co l g s. 2391	J-J		
Mc Conn & Co l g s. 2396	J-J		
Mc Conn & Co l g s. 2401	J-J		
Mc Conn & Co l g s. 2406	J-J		
Mc Conn & Co l g s. 2411	J-J		
Mc Conn & Co l g s. 2416	J-J		
Mc Conn & Co l g s. 2421	J-J		
Mc Conn & Co l g s. 2426	J-J		
Mc Conn & Co l g s. 2431	J-J		
Mc Conn & Co l g s. 2436	J-J		
Mc Conn & Co l g s. 2441	J-J		
Mc Conn & Co l g s. 2446	J-J		
Mc Conn & Co l g s. 2451	J-J		
Mc Conn & Co l g s. 2456	J-J		
Mc Conn & Co l g s. 2461	J-J		
Mc Conn & Co l g s. 2466	J-J		
Mc Conn & Co l g s. 2471	J-J		
Mc Conn & Co l g s. 2476	J-J		
Mc Conn & Co l g s. 2481	J-J		
Mc Conn & Co l g s. 2486	J-J		
Mc Conn & Co l g s. 2491	J-J		
Mc Conn & Co l g s. 2496	J-J		
Mc Conn & Co l g s. 2501	J-J		
Mc Conn & Co l g s. 2506	J-J		
Mc Conn & Co l g s. 2511	J-J		
Mc Conn & Co l g s. 2516	J-J		
Mc Conn & Co l g s. 2521	J-J		
Mc Conn & Co l g s. 2526	J-J		
Mc Conn & Co l g s. 2531	J-J		
Mc Conn & Co l g s. 2536	J-J		
Mc Conn & Co l g s. 2541	J-J		
Mc Conn & Co l g s. 2546	J-J		
Mc Conn & Co l g s. 2551	J-J		
Mc Conn & Co l g s. 2556	J-J		
Mc Conn & Co l g s. 2561	J-J		
Mc Conn & Co l g s. 2566	J-J		
Mc Conn & Co l g s. 2571	J-J		
Mc Conn & Co l g s. 2576	J-J		
Mc Conn & Co l g s. 2581	J-J		
Mc Conn & Co l g s. 2586	J-J		
Mc Conn & Co l g s. 2591	J-J		
Mc Conn & Co l g s. 2596	J-J		
Mc Conn & Co l g s. 2601	J-J		
Mc Conn & Co l g s. 2606	J-J		
Mc Conn & Co l g s. 2611	J-J		
Mc Conn & Co l g s. 2616	J-J		
Mc Conn & Co l g s. 2621	J-J		
Mc Conn & Co l g s. 2626	J-J		
Mc Conn & Co l g s. 2631	J-J		
Mc Conn & Co l g s. 2636	J-J		
Mc Conn & Co l g s. 2641	J-J		
Mc Conn & Co l g s. 2646	J-J		
Mc Conn & Co l g s. 2651	J-J		
Mc Conn & Co l g s. 2656	J-J		
Mc Conn & Co l g s. 2661	J-J		
Mc Conn & Co l g s. 2666	J-J		
Mc Conn & Co l g s. 2671	J-J		
Mc Conn & Co l g s. 2676	J-J		
Mc Conn & Co l g s. 2681	J-J		
Mc Conn & Co l g s. 2686	J-J		
Mc Conn & Co l g s. 2691	J-J		
Mc Conn & Co l g s. 2696	J-J		
Mc Conn & Co l g s. 2701	J-J		
Mc Conn & Co l g s. 2706	J-J		
Mc Conn & Co l g s. 2711	J-J		
Mc Conn & Co l g s. 2716	J-J		
Mc Conn & Co l g s. 2721	J-J		
Mc Conn & Co l g s. 2726	J-J		
Mc Conn & Co l g s. 2731	J-J		
Mc Conn & Co l g s. 2736	J-J		
Mc Conn & Co l g s. 2741	J-J		
Mc Conn & Co l g s. 2746	J-J		
Mc Conn & Co l g s. 2751	J-J		
Mc Conn & Co l g s. 2756	J-J		
Mc Conn & Co l g s. 2761	J-J		
Mc Conn & Co l g s. 2766	J-J		
Mc Conn & Co l g s. 2771	J-J		
Mc Conn & Co l g s. 2776	J-J		
Mc Conn & Co l g s. 2781	J-J		
Mc Conn & Co l g s. 2786	J-J		
Mc Conn & Co l g s. 2791	J-J		
Mc Conn & Co l g s. 2796	J-J		
Mc Conn & Co l g s. 2801	J-J		
Mc Conn & Co l g s. 2806	J-J		
Mc Conn & Co l g s. 2811	J-J		
Mc Conn & Co l g s. 2816	J-J		
Mc Conn & Co l g s. 2821	J-J		
Mc Conn & Co l g s. 2826	J-J		
Mc Conn & Co l g s. 2831	J-J		
Mc Conn & Co l g s. 2836	J-J		
Mc Conn & Co l g s. 2841	J-J		
Mc Conn & Co l g s. 2846	J-J		
Mc Conn & Co l g s. 2851	J-J		
Mc Conn & Co l g s. 2856	J-J		
Mc Conn & Co l g s. 2861	J-J		
Mc Conn & Co l g s. 2866	J-J		
Mc Conn & Co l g s. 2871	J-J		
Mc Conn & Co l g s. 2876	J-J		
Mc Conn & Co l g s. 2881	J-J		
Mc Conn & Co l g s. 2886	J-J		
Mc Conn & Co l g s. 2891	J-J		
Mc Conn & Co l g s. 2896	J-J		
Mc Conn & Co l g s. 2901	J-J		
Mc Conn & Co l g s. 2906	J-J		
Mc Conn & Co l g s. 2911	J-J		
Mc Conn & Co l g s. 2916	J-J		
Mc Conn & Co l g s. 2921	J-J		
Mc Conn & Co l g s. 2926	J-J		
Mc Conn & Co l g s. 2931	J-J		
Mc Conn & Co l g s. 2936	J-J		
Mc Conn & Co l g s. 2941	J-J		
Mc Conn & Co l g s. 2946	J-J		
Mc Conn & Co l g s. 2951	J-J		
Mc Conn & Co l g s. 2956	J-J		
Mc Conn & Co l g s. 2961	J-J		
Mc Conn & Co l g s. 2966	J-J		
Mc Conn & Co l g s. 2971	J-J		
Mc Conn & Co l g s. 2976	J-J		
Mc Conn & Co l g s. 2981	J-J		
Mc Conn & Co l g s. 2986	J-J		
Mc Conn & Co l g s. 2991	J-J		
Mc Conn & Co l g s. 2996	J-J		
Mc Conn & Co l g s. 3001	J-J		
Mc Conn & Co l g s. 3006	J-J		
Mc Conn & Co l g s. 3011	J-J		
Mc Conn & Co l g s. 3016	J-J		
Mc Conn & Co l g s. 3021	J-J		
Mc Conn & Co l g s. 3026	J-J		
Mc Conn & Co l g s. 3031	J-J		
Mc Conn & Co l g s. 3036	J-J		
Mc Conn & Co l g s. 3041	J-J		
Mc Conn & Co l g s. 3046	J-J		
Mc Conn & Co l g s. 3051	J-J		
Mc Conn & Co l g s. 3056	J-J		
Mc Conn & Co l g s. 3061	J-J		
Mc Conn & Co l g s. 3066	J-J		
Mc Conn & Co l g s. 3071	J-J		
Mc Conn & Co l g s. 3076	J-J		
Mc Conn & Co l g s. 3081	J-J		
Mc Conn & Co l g s. 3086	J-J		
Mc Conn & Co l g s. 3091	J-J		
Mc Conn & Co l g s. 3096	J-J		
Mc Conn & Co l g s. 3101	J-J		
Mc Conn & Co l g s. 3106	J-J		
Mc Conn & Co l g s. 3111	J-J		
Mc Conn & Co l g s. 3116	J-J		
Mc Conn & Co l g s. 3121	J-J		
Mc Conn & Co l g s. 3126	J-J		
Mc Conn & Co l g s. 3131	J-J		
Mc Conn & Co l g s. 3136	J-J		
Mc Conn & Co l g s. 3141	J-J		
Mc Conn & Co l g s. 3146	J-J		
Mc Conn & Co l g s. 3151	J-J		
Mc Conn & Co l g s. 3156	J-J		
Mc Conn & Co l g s. 3161	J-J		
Mc Conn & Co l g s. 3166	J-J		
Mc Conn & Co l g s. 3171	J-J		
Mc Conn & Co l g s. 3176	J-J		
Mc Conn & Co l g s. 3181	J-J		
Mc Conn & Co l g s. 3186	J-J		
Mc Conn & Co l g s. 3191	J-J		
Mc Conn & Co l g s. 3196	J-J		
Mc Conn & Co l g s. 3201	J-J		
Mc Conn & Co l g s. 3206	J-J		
Mc Conn & Co l g s. 3211	J-J		
Mc Conn & Co l g s. 3216	J-J		
Mc Conn & Co l g s. 3221	J-J		
Mc Conn & Co l g s. 3226	J-J		
Mc Conn & Co l g s. 3231	J-J		
Mc Conn & Co l g s. 3236	J-J		
Mc Conn & Co l g s. 3241	J-J		
Mc Conn & Co l g s. 3246	J-J		
Mc Conn & Co l g s. 3251	J-J		
Mc Conn & Co l g s. 3256	J-J		
Mc Conn & Co l g s. 3261	J-J		
Mc Conn & Co l g s. 3266	J-J		
Mc Conn & Co l g s. 3271	J-J		
Mc Conn & Co l g s. 3276	J-J		
Mc Conn & Co l g s. 3281	J-J		
Mc Conn & Co l g s. 3286	J-J		
Mc Conn & Co l g s. 3291	J-J		
Mc Conn & Co l g s. 3296	J-J		
Mc Conn & Co l g s. 3301	J-J		
Mc Conn & Co l g s. 3306	J-J		
Mc Conn & Co l g s. 3311	J-J		
Mc Conn & Co l g s. 3316	J-J		
Mc Conn & Co l g s. 3321	J-J		
Mc Conn & Co l g s. 3326	J-J		
Mc Conn & Co l g s. 3331	J-J		
Mc Conn & Co l g s. 3336	J-J		
Mc Conn & Co l g s. 3341	J-J		
Mc Conn & Co l g s. 3346	J-J		
Mc Conn & Co l g s. 3351	J-J		
Mc Conn & Co l g s. 3356	J-J		
Mc Conn & Co l g s. 3361	J-J		
Mc Conn & Co l g s. 3366	J-J		
Mc Conn & Co l g s. 3371	J-J		
Mc Conn & Co l g s. 3376	J-J		
Mc Conn & Co l g s. 3381	J-J		
Mc Conn & Co l g s. 3386	J-J		
Mc Conn & Co l g s. 3391	J-J		
Mc Conn & Co l g s. 3396	J-J		
Mc Conn & Co l g s. 3401	J-J		
Mc Conn & Co l g s. 3406	J-J		
Mc Conn & Co l g s. 3411	J-J		
Mc Conn & Co l g s. 3416	J-J		
Mc Conn & Co l g s. 3421	J-J		
Mc Conn & Co l g s. 3426	J-J		
Mc Conn & Co l g s. 3431	J-J		
Mc Conn & Co l g s. 3436	J-J		
Mc Conn & Co l g s. 3441	J-J		
Mc Conn & Co l g s. 3446	J-J		
Mc Conn & Co l g s. 3451	J-J		
Mc Conn & Co l g s. 3456	J-J		
Mc Conn & Co l g s. 3461	J-J		
Mc Conn & Co l g s. 3466	J-J		
Mc Conn & Co l g s. 3471	J-J		
Mc Conn & Co l g s. 3476	J-J		
Mc Conn & Co l g s. 3481	J-J		
Mc Conn & Co l g s. 3486	J-J		
Mc Conn & Co l g s. 3491			

Due Jan Due Feb Due May Due J'ns Due J'ly Due Nov Option sale

BONDS										BONDS									
N. Y. STOCK EXCHANGE										N. Y. STOCK EXCHANGE									
WEEK ENDING OCTOBER 30										WEEK ENDING OCTOBER 30									
Int'l	Price	Week's	Range	High	Low	Range	High	Low	Range	Int'l	Price	Week's	Range	High	Low	Range	High	Low	Range
Per Cent	Friday	Change	Friday	Friday	Friday	Friday	Friday	Friday	Friday	Per Cent	Friday	Change	Friday	Friday	Friday	Friday	Friday	Friday	Friday
Penn RR—(Continued)										Southern Pac Co—(Continued)									
Consol gold 4s.....	104	106	106	106	106	106	106	106	106	H & T C 1st g 5a int gr.....	111	111	111	111	111	111	111	111	111
Alleg Vail gen gr 4s.....	104	100	102	102	102	102	102	102	102	Consol g 5a int gr.....	110	110	110	110	110	110	110	110	110
Cl & M 1st gr 4s.....	104	100	102	102	102	102	102	102	102	Gen gold 5a int gr.....	110	110	110	110	110	110	110	110	110
D & R R 1st gr 4s.....	104	100	102	102	102	102	102	102	102	Morgan's La & T 1st 7a.....	110	110	110	110	110	110	110	110	110
D & R R 1st gr 4s.....	104	100	102	102	102	102	102	102	102	1st gold 5a.....	110	110	110	110	110	110	110	110	110
San & Lewis 1st g 4s.....	104	100	102	102	102	102	102	102	102	N Y T & Mex gr 1st g 4s.....	110	110	110	110	110	110	110	110	110
U N J R R & Can gen 4s.....	104	100	102	102	102	102	102	102	102	No of Cal 1st gr 4s.....	110	110	110	110	110	110	110	110	110
Pennacola & Atl Ser L & N										Guaranteed gold 5a.....	110	110	110	110	110	110	110	110	110
2d gold 4s.....	104	100	102	102	102	102	102	102	102	Ore & Cal 1st gr 4s.....	110	110	110	110	110	110	110	110	110
Pere Marq—F & M g 4s.....	104	100	102	102	102	102	102	102	102	S A & A Pass 1st g 4s.....	110	110	110	110	110	110	110	110	110
1st consol gold 5a.....	104	100	102	102	102	102	102	102	102	So P Arg 1st g 4s.....	110	110	110	110	110	110	110	110	110
2d consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st guar g 5a.....	110	110	110	110	110	110	110	110	110
3d consol gold 5a.....	104	100	102	102	102	102	102	102	102	S P of Cal 1st g 4s.....	110	110	110	110	110	110	110	110	110
4th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series C & D.....	110	110	110	110	110	110	110	110	110
5th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series E & F.....	110	110	110	110	110	110	110	110	110
6th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series G & H.....	110	110	110	110	110	110	110	110	110
7th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series I & J.....	110	110	110	110	110	110	110	110	110
8th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series K & L.....	110	110	110	110	110	110	110	110	110
9th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series M & N.....	110	110	110	110	110	110	110	110	110
10th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series O & P.....	110	110	110	110	110	110	110	110	110
11th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series Q & R.....	110	110	110	110	110	110	110	110	110
12th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series S & T.....	110	110	110	110	110	110	110	110	110
13th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series U & V.....	110	110	110	110	110	110	110	110	110
14th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series W & X.....	110	110	110	110	110	110	110	110	110
15th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series Y & Z.....	110	110	110	110	110	110	110	110	110
16th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AA & AB.....	110	110	110	110	110	110	110	110	110
17th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AC & AD.....	110	110	110	110	110	110	110	110	110
18th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AE & AF.....	110	110	110	110	110	110	110	110	110
19th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AG & AH.....	110	110	110	110	110	110	110	110	110
20th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AI & AJ.....	110	110	110	110	110	110	110	110	110
21st consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AK & AL.....	110	110	110	110	110	110	110	110	110
22nd consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AM & AN.....	110	110	110	110	110	110	110	110	110
23rd consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AO & AP.....	110	110	110	110	110	110	110	110	110
24th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AQ & AR.....	110	110	110	110	110	110	110	110	110
25th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AS & AT.....	110	110	110	110	110	110	110	110	110
26th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AU & AV.....	110	110	110	110	110	110	110	110	110
27th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AW & AX.....	110	110	110	110	110	110	110	110	110
28th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series AY & AZ.....	110	110	110	110	110	110	110	110	110
29th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BA & BB.....	110	110	110	110	110	110	110	110	110
30th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BC & BD.....	110	110	110	110	110	110	110	110	110
31st consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BE & BF.....	110	110	110	110	110	110	110	110	110
32nd consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BG & BH.....	110	110	110	110	110	110	110	110	110
33rd consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BI & BJ.....	110	110	110	110	110	110	110	110	110
34th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BK & BL.....	110	110	110	110	110	110	110	110	110
35th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BM & BN.....	110	110	110	110	110	110	110	110	110
36th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BO & BP.....	110	110	110	110	110	110	110	110	110
37th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BQ & BR.....	110	110	110	110	110	110	110	110	110
38th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BS & BT.....	110	110	110	110	110	110	110	110	110
39th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BU & BV.....	110	110	110	110	110	110	110	110	110
40th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BW & BX.....	110	110	110	110	110	110	110	110	110
41st consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series BY & BZ.....	110	110	110	110	110	110	110	110	110
42nd consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CA & CB.....	110	110	110	110	110	110	110	110	110
43rd consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CC & CD.....	110	110	110	110	110	110	110	110	110
44th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CE & CF.....	110	110	110	110	110	110	110	110	110
45th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CG & CH.....	110	110	110	110	110	110	110	110	110
46th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CI & CJ.....	110	110	110	110	110	110	110	110	110
47th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CK & CL.....	110	110	110	110	110	110	110	110	110
48th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CM & CN.....	110	110	110	110	110	110	110	110	110
49th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CO & CP.....	110	110	110	110	110	110	110	110	110
50th consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CQ & CR.....	110	110	110	110	110	110	110	110	110
51st consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CS & CT.....	110	110	110	110	110	110	110	110	110
52nd consol gold 5a.....	104	100	102	102	102	102	102	102	102	1st g 5a series CU &									

10 Battery 100 10 11 Worthing Pump pref. 100 108 410

BOSTON STOCK EXCHANGE—Stock Record, Daily, Weekly and Yearly

Share Prices—Not Per Centum Prices						STOCKS		Range for Year		Range for Previous Year (1901)			
Saturday Oct. 24	Monday Oct. 26	Tuesday Oct. 27	Wednesday Oct. 28	Thursday Oct. 29	Friday Oct. 30	BOSTON STOCK EXCHANGE		Sales of the Week Shares	Lowest	Highest	Lowest	Highest	
Railroads													
65 1/2	65 1/2	66 1/2	67 1/2	68 1/2	68 1/2	Atch Top & Santa Fe 100		1,996	54 1/2	Aug 10	89 1/2	Jan 10	
88 1/2	88 1/2	89 1/2	90 1/2	91 1/2	91 1/2	Do pref. 100		28	85	Aug 10	103 1/2	Jan 10	
132 1/2	132 1/2	133 1/2	134 1/2	135 1/2	135 1/2	Boston Elevated 100		84	114	Jan 10	124 1/2	Jan 10	
232 1/2	232 1/2	233 1/2	234 1/2	235 1/2	235 1/2	Boston & Lowell 100		27	230	Aug 10	243 1/2	Jan 10	
167 1/2	167 1/2	168 1/2	169 1/2	170 1/2	170 1/2	Boston & Maine 100		112	161	Jan 10	176 1/2	Jan 10	
171	171	172	173	174	174	Do pref. 100		170	210	Jan 10	221 1/2	Jan 10	
171	171	172	173	174	174	Boston & Providence 100		54	290	Jan 10	307 1/2	Jan 10	
171	171	172	173	174	174	Chic & N York & U S 100		91	153	Jan 10	167 1/2	Jan 10	
171	171	172	173	174	174	Do pref. 100		115	171	Jan 10	187 1/2	Jan 10	
171	171	172	173	174	174	Conn & Mont Class 4 100		9	185	Jan 10	213 1/2	Jan 10	
171	171	172	173	174	174	Conn & Pass Riv pref 100		180	240	Jan 10	260 1/2	Jan 10	
171	171	172	173	174	174	Connecticut River 100		100	174	Jan 10	200 1/2	Jan 10	
171	171	172	173	174	174	Do pref. 100		12	181	Jan 10	200 1/2	Jan 10	
171	171	172	173	174	174	Houston Electric com 100		42	143	Jan 10	161 1/2	Jan 10	
171	171	172	173	174	174	Maine Central 100		173	213	Jan 10	247 1/2	Jan 10	
171	171	172	173	174	174	Mass Electric Cos 100		221	271	Jan 10	307 1/2	Jan 10	
171	171	172	173	174	174	Do pref. 100		45	76	Jan 10	96 1/2	Jan 10	
171	171	172	173	174	174	Mexican Central 100		10	10	Jan 10	29 1/2	Jan 10	
171	171	172	173	174	174	N Y N H & Hart 100		515	105	Jan 10	123 1/2	Jan 10	
171	171	172	173	174	174	Northern N H 100		165	215	Jan 10	247 1/2	Jan 10	
171	171	172	173	174	174	Norwich & Wor pref 100		43	220	Jan 10	260 1/2	Jan 10	
171	171	172	173	174	174	Old Colony 100		49	196	Jan 10	213 1/2	Jan 10	
171	171	172	173	174	174	Penn Marquette 100		100	174	Jan 10	200 1/2	Jan 10	
171	171	172	173	174	174	Do pref. 100		10	68	Jan 10	80 1/2	Jan 10	
171	171	172	173	174	174	Rutland pref 100		30	115	Jan 10	123 1/2	Jan 10	
171	171	172	173	174	174	Savannah Elec com 100		7	115	Jan 10	123 1/2	Jan 10	
171	171	172	173	174	174	Seattle Electric 100		75	215	Jan 10	247 1/2	Jan 10	
171	171	172	173	174	174	Do pref. 100		114	164	Jan 10	180 1/2	Jan 10	
171	171	172	173	174	174	Union Pacific 100		1,204	668	Jan 10	103 1/2	Jan 10	
171	171	172	173	174	174	Do pref. 100		37	83	Oct 14	95 1/2	Jan 10	
171	171	172	173	174	174	Vermont & Mass 100		162	212	Sep 17	247 1/2	Jan 10	
171	171	172	173	174	174	West End St 100		37	87	Aug 7	97 1/2	Feb 10	
171	171	172	173	174	174	Do pref. 100		108	168	Sep 10	111 1/2	Dec 10	
171	171	172	173	174	174	Wisconsin 100		38	115	Jan 10	123 1/2	Jan 10	
171	171	172	173	174	174	Do pref. 100		144	214	Jan 10	247 1/2	Jan 10	
171	171	172	173	174	174	Wor Nash & Roch 100		144	214	Sep 24	150	Jan 14	
Miscellaneous													
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	Amer Agricul Chem 100		615	11	Oct 12	26	Feb 11	
70	70	70	70	70	70	Do pref. 100		160	69	Oct 12	86	Feb 11	
2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	Amer Pneu Ser 100		50	50	Sep 23	86	Feb 11	
13 1/2	13 1/2	13 1/2	13 1/2	13 1/2	13 1/2	Do pref. 100		163	12	Sep 26	24	Mar 4	
114 1/2	114 1/2	114 1/2	114 1/2	114 1/2	114 1/2	Amer Sugar Refn 100		3,193	107 1/2	Oct 12	134 1/2	Jan 10	
114 1/2	114 1/2	114 1/2	114 1/2	114 1/2	114 1/2	Do pref. 100		403	116	Aug 11	122 1/2	Feb 11	
124 1/2	124 1/2	124 1/2	124 1/2	124 1/2	124 1/2	Amer Tel & Teleg 100		2,890	114 1/2	Oct 12	144 1/2	Feb 11	
7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	Do pref. 100		100	64	Oct 15	81	Feb 11	
67 1/2	67 1/2	67 1/2	67 1/2	67 1/2	67 1/2	Amer Woolen 100		279	65	Oct 15	79 1/2	Jan 10	
115	115	115	115	115	115	Do pref. 100		30	115	Sep 25	123 1/2	Jan 10	
236 1/2	236 1/2	236 1/2	236 1/2	236 1/2	236 1/2	Boston Land 100		13	115	Sep 25	123 1/2	Jan 10	
148 1/2	148 1/2	148 1/2	148 1/2	148 1/2	148 1/2	Cumertel Tel & Tel 100		170	169	Sep 25	123 1/2	Jan 10	
34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	Do pref. 100		100	235	Sep 25	247 1/2	Jan 10	
170 1/2	170 1/2	170 1/2	170 1/2	170 1/2	170 1/2	Edison Elec Illum 100		100	235	Sep 25	247 1/2	Jan 10	
123 1/2	123 1/2	123 1/2	123 1/2	123 1/2	123 1/2	General Electric 100		1,340	30	Sep 25	247 1/2	Jan 10	
101 1/2	101 1/2	101 1/2	101 1/2	101 1/2	101 1/2	Mass chuets Gas Cos 100		354	74 1/2	Sep 25	88 1/2	Feb 11	
25	25	25	25	25	25	Do pref. 100		100	164	Sep 25	164	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Mexican Telephone 100		144	122	Oct 19	139	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	N E Cotton Yarn pref 100		24	115	Oct 19	127	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	N E Telephone 100		144	122	Oct 19	139	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Plant Comp new com 100		9	24	Jan 10	24	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Do pref. 100		100	164	Jan 10	164	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Reeco Butte & Ho 100		65	74	Oct 28	10	Feb 11	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Swift & Co 100		94	99	Jan 10	100	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Torrington Class A 100		25	25	Jan 10	25	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Do pref. 100		25	25	Jan 10	25	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	United Sup & Mfg 100		427	91	Aug 11	111	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Do pref. 100		372	27	Aug 11	31 1/2	Feb 11	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	United Shoe Mach 100		25	372	Jan 10	46 1/2	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Do pref. 100		100	100	Jan 10	100	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	U S Leather 100		100	100	Jan 10	100	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Do pref. 100		100	100	Jan 10	100	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	U S Steel Corp 100		1,205	12 1/2	Oct 12	39 1/2	Feb 11	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Do pref. 100		100	100	Jan 10	100	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	West End Land 100		25	100	Jan 10	100	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	West End Tel & Teleg 100		100	100	Jan 10	10	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Do pref. 100		100	100	Jan 10	100	Jan 10	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Westing El & Mfg 100		115	67	Oct 26	108	Feb 11	
95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2	Do pref. 100		60	60	Oct 11	110	Jan 29	
Mining													
4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	Adventure Con 100		25	1,190	3 Oct 10	18	Jan 2	
34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	34 1/2	Alouet 100		25	1,128	31 Jan 8	3	Aug 9	
50 1/2	50 1/2	50 1/2	50 1/2	50 1/2	50 1/2	Amalgamated Copper 100		25,887	33 1/2	Oct 14	75 1/2	Mar 12	
15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	15 1/2	Amer Gold Dredging 100		5	200	Sep 10	1	Nov 3	
25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	Am Zinc Lead & Sm 100		25	200	Sep 10	1	Nov 3	
75 1/2	75 1/2	75 1/2	75 1/2	75 1/2	75 1/2	Anacosta 100		25	100	Sep 10	1	Nov 3	
25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	Arcadian 100		25	100	Sep 10	1	Nov 3	
25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	Arnold 100		25	100	Sep 10	1	Nov 3	
25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	Atlantic 100		25	100	Sep 10	1	Nov 3	
25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	Bingham Con Mins 100		5	5,12				

BOSTON STOCK EXCHANGE WEEK ENDING OCT 30						BONDS BOSTON STOCK EXCHANGE WEEK ENDING OCT 30						BOSTON STOCK EXCHANGE WEEK ENDING OCT 30						BONDS BOSTON STOCK EXCHANGE WEEK ENDING OCT 30																	
Price Friday Oct 30						Week's Range or Last Sale						Range Since January 1						Price Friday Oct 30						Week's Range or Last Sale						Range Since January 1					
Actual	Price	Volume	Did	Ask	Low	High	No	Low	High	Actual	Price	Volume	Did	Ask	Low	High	No	Low	High	Actual	Price	Volume	Did	Ask	Low	High	No	Low	High						
Am Tel & Tel 44s	1908	J-J	98 1/4	98 1/2	98 1/4	98 1/2		96	99 1/2	Illinois Steel debent 5s	1910	J-J	98 1/2	98 1/2	98 1/2	98 1/2		96	100	Am Tel & Tel 44s	1923	J-J	94	95	94	95	40	93	98 1/2						
Am Tel & Tel 44s	1908	M-S	113 1/2	113 1/2	113 1/2	113 1/2		113	113 1/2	Non-convert debent 5s	1912	A-O	98 1/2	98 1/2	98 1/2	98 1/2		96	101 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	99 1/2	100	99 1/2	100		98 1/2	100	In Falls & Sioux C 1st 7s	1917	A-O	126 1/2	126 1/2	126 1/2	126 1/2		126	130 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Kan C St C & M 6s	1928	M-N	117 1/2	117 1/2	117 1/2	117 1/2		114	124 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	126 1/2	126 1/2	126 1/2	126 1/2		126	126 1/2	Kan C Ft Scott & Gulf 1st 7s	1908	J-J	109	109	109	109		100	112 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Kan C M & B gen 4s	1934	M-S	95	95	95	95		95	99	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Income 5s	1934	M-S	80	80	80	80		79	81	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Kan C M & B 1st 7s	1917	A-O	109 1/2	109 1/2	109 1/2	109 1/2		100	112 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Kan C St C & C B 1st 7s	1907	J-J	107 1/2	107 1/2	107 1/2	107 1/2		107	112 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	L R & F St Mid gr 1st 7s	1905	J-J	101	101	101	101		101	104	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Maine Cent cons 1st 7s	1912	A-O	121 1/2	121 1/2	121 1/2	121 1/2		121	123 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Cons 1st 4s	1912	A-O	121 1/2	121 1/2	121 1/2	121 1/2		121	123 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Maine Cent cons 1st 7s	1912	A-O	121 1/2	121 1/2	121 1/2	121 1/2		121	123 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Mexican Central cons 4s	1911	J-J	68	70	72	72		70	73 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	1st cons inc 3s	Jan 1939	J-J	14	14	14	14		13	26	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	2d cons inc 3s	Jan 1939	J-J	9 1/2	9 1/2	9 1/2	9 1/2		9	10	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	High Telop cons 5a tr rec 1929	1929	J-J	100	103	104	104		100	103	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Minne Gen Elec cons g 6a 1929	1929	J-J	100	103	104	104		100	103	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	New Eng Cent Yarn 5s	1929	F-A	95 1/2	95 1/2	95 1/2	95 1/2		95	96 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	New Eng Telop 6s	1906	A-O	102 1/2	102 1/2	102 1/2	102 1/2		102	103 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	New Eng Telop 6s	1907	A-O	102 1/2	102 1/2	102 1/2	102 1/2		102	103 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	6s	1906	A-O	102 1/2	102 1/2	102 1/2	102 1/2		102	103 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	6s	1912	A-O	102 1/2	102 1/2	102 1/2	102 1/2		102	103 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	N Y & N Eng 1st 7s	1905	J-J	102 1/2	102 1/2	102 1/2	102 1/2		102	103 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	1st 6s	1905	J-J	101 1/2	101 1/2	101 1/2	101 1/2		101	103 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	112	112	112	112		112	113 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Creg Ry & Stn 4a cons 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2						
Am Tel & Tel 44s	1908	M-S	109 1/2	109 1/2	109 1/2	109 1/2		109	109 1/2	Old Colony gold 4s	1924	F-A	109 1/2	109 1/2	109 1/2	109 1/2		109	110 1/2	Am Tel & Tel 44s	1908	M-S	109 1/2	10											

NOTE—Buyer pays accrued interest in addition to the purchase price for all Boston Bonds. * No price Friday; latest bid and asked. † Trust Co. off.

Philadelphia and Baltimore Stock Exchanges—Stock Record, Daily, Weekly, Yearly

Share Prices—Not Per Centum Prices

Monday Oct. 26

Tuesday Oct. 27

Wednesday Oct. 28

Thursday Oct. 29

Friday Oct. 30

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Investment and Railroad Intelligence.

RAILROAD GROSS EARNINGS.

The following table shows the gross earnings of every STEAM railroad from which regular weekly or monthly returns can be obtained. The first two columns of figures give the gross earnings for the latest week or month, and the last two columns the earnings for the period from July 1 to and including such latest week or month.

The returns of the street railways are brought together separately on a subsequent page.

Latest Gross Earnings					July 1 to Latest Date					Latest Gross Earnings					July 1 to Latest Date				
ROADS		Week or Month	Current Year	Previous Year	Current Year		Previous Year	ROADS		Week or Month	Current Year	Previous Year	Current Year		Previous Year				
			\$	\$							\$	\$							
Ala Gt Southern	3d wk Oct		60,424	47,356		933,253	794,905	Man'tee & Gr. Rap	August....		9,786	10,000		18,944	18,944				
Ala N O & Texas	Pacific							Manis & No East	August....		34,094	31,233		81,267	81,267				
N O & No East	1st wk Oct		47,000	39,000		650,626	563,898	Manistee.....	September		8,638	7,650		26,260	26,260				
Ala & Vicksb'g	1st wk Oct		22,000	19,000		293,254	258,695	Maryld & Penn.	September		32,536	31,494		93,667	93,667				
Vicksb'g & P.	1st wk Oct		25,000	22,000		344,040	298,432	Mexican Cent'l	3d wk Oct		469,312	456,900		7,547,461	7,547,461				
Allegheny Valley	August		inc.	116,099		inc.	218,922	Mexican Intern.	September		539,765	542,512		1,619,454	1,619,454				
Ann Arbor.....	3d wk Oct		33,809	32,961		634,763	539,678	Mexican Ry.....	Wk Oct 10		102,500	91,000		1,492,000	1,492,000				
Atch Top & S Fe	September		5,870,813	5,141,070		16,852,139	14,596,063	Mexican South'n	2d wk Oct		21,574	17,223		283,280	283,280				
Atlanta & Birm.	August....		24,344	18,480		45,450	34,414	Millen & So'w'n.	September		4,909	4,517		12,630	12,630				
Atlanta & Char.	July.....		280,262	268,941		280,262	268,941	Mineral Range..	3d wk Oct		13,156	10,674		180,114	180,114				
Atl Knoxv & N.	September		63,582	58,851		193,800	178,958	Minneapolis & St L	3d wk Oct		71,052	72,569		945,401	1,007,000				
Atlantic & Birm.	August....		32,652			69,579		M Kan & Tex.	3d wk Oct		184,719	197,767		2,357,659	2,404,000				
Atl Coast Line..	September		1,510,140	1,584,934		4,272,717	4,247,908	Mo Kan & Tex.	3d wk Oct		421,529	412,626		5,801,537	5,847,000				
Balt & Ann S L.	August....		12,042	10,797		28,257	21,879	Mo Pac & Iron Mt	3d wk Oct		821,000	794,000		12,603,450	12,603,450				
Balt & Ohio.....	September		6,023,195	5,430,434		17,875,580	16,156,816	Central Branch	3d wk Oct		31,000	22,000		683,000	683,000				
Total System..	Septem....		6,480,907	5,871,002		19,281,806	17,434,370	Total.....	3d wk Oct		852,000	816,000		14,156,480	13,223,000				
Bangor & Aroost	August....		166,368	141,300		328,974	261,540	Mob Jack & K O.	Wk Oct 17		8,229	4,385		112,618	112,618				
Bath & Ham'dsp't	August....		3,240	3,084		6,022	5,490	Mobile & Ohio..	3d wk Oct		142,084	129,608		2,245,067	2,245,067				
Belleville Cent'l	September		6,422	5,421		17,957	14,733	Nash Ok & St L.	3d wk Oct		201,146	182,606		3,053,590	3,053,590				
Bridge & Saco R.	August....		4,171	4,949		9,226	9,190	Nat'l RR of Mex	3d wk Oct		172,025	162,603		3,297,841	3,297,841				
Bull Rook & Cts	3d wk Oct		166,556	159,085		2,968,395	2,374,807	Nev-Cal-Oregon.	September		20,482	24,144		57,177	14,000				
Bull Rook & Susq.	August....		74,722	75,104		157,225	142,405	Nevada Central.	August....		9,833	3,947		3,947	3,947				
Canadian Pacific	3d wk Oct		1,019,000	942,000		15,037,500	13,221,288	N Y O & Hud Riv.	September		7,056,151	6,701,579		20,999,248	19,470,000				
Cane Belt.....	August....		13,284	20,356		25,278	34,177	N Y Ont & West.	September		602,800	350,061		1,986,887	1,986,887				
Cent'l of Georgia	3d wk Oct		229,890	217,950		2,829,025	2,777,222	N Y Susq & West	September		214,800	105,573		697,629	697,629				
Cent'l of N Jersey	September		1,770,853	1,106,454		5,040,700	3,677,740	Norfolk & West'n	3d wk Oct		448,925	392,598		7,008,742	7,008,742				
Central Pacific..	August....		2,054,809	1,853,768		4,033,865	3,793,438	Northern Central	August....		919,036	681,586		1,842,061	1,842,061				
Chattanooga South	3d wk Oct		1,303	2,142		39,606	38,285	North'n Pacific..	September		4,564,385	4,682,580		12,901,761	12,901,761				
Cheap & Ohio....	September		1,572,707	1,181,846		4,789,373	3,390,582	Nor Shore (Cal.)	August....		33,464	56,020		136,158	136,158				
Chic & Alton Riv.	September		1,073,534	873,659		3,073,608	2,570,419	Ohio Riv & West.	August....		29,228	17,921		87,513	87,513				
Chic Gt Western	3d wk Oct		164,351	158,856		2,658,672	2,331,904	Pacific Coast Co.	August....		567,358	505,249		1,127,718	1,127,718				
Chic Ind & L V.	3d wk Oct		115,336	103,435		1,807,644	1,536,328	Penn.-East P & E.	August....		1,104,129	1,016,690		33,036,693	33,036,693				
Chic Milw & St F	August....		4,178,541	3,964,073		8,337,604	7,625,466	West P & E.....	Inc. 72,300				Inc. 1,260,000						
Chic N O & W.	September		1,513,333	1,540,252		17,445,479	12,737,142	Pere Marquette..	3d wk Oct		237,149	217,720		3,818,530	3,818,530				
Chic St P M & N	September		1,001,611	1,206,210		3,068,160	3,121,086	Phila Bait & Wash	August....		1,195,127	1,151,027		2,841,995	2,841,995				
Chic Term Tr RR	3d wk Oct		32,613	35,683		521,120	537,049	Phila & Erie.....	August....		780,104	526,223		1,566,428	1,566,428				
Cin N O & T Pac.	3d wk Oct		135,575	101,725		2,135,634	1,789,823	Pine Blf Ark R.	August....		2,232	2,237		4,902	4,902				
Cin Oh & St L.	August....		2,001,296	1,745,191		3,561,550	3,144,238	Pitab O & St L.	September		2,232,727	2,073,506		6,619,132	6,619,132				
Florida & East'n	August....		235,561	239,701		481,837	435,483	Reading Railway	September		2,922,121	1,939,444		9,126,422	9,126,422				
Galveston & South	Wk Oct		157,273	150,067		2,075,594	1,960,689	Rock Isl & Syst'm	August....		4,483,923	3,879,676		15,115	15,115				
Genl Newb & Lea.	August....		17,357	13,006		33,820	27,120	Rock Isl & Syst'm	August....		4,483,923	3,879,676		15,115	15,115				
Copper Range....	August....		45,878	30,522		101,638	58,994	Rich Frk & P.	September		107,442	82,256		231,700	231,700				
Cornwall.....	August....		9,909	10,038		20,271	18,646	Rio Grande Jct.	August....		53,973	49,496		104,930	104,930				
Cornwall & Leb.	August....		29,411	28,172		63,734	51,621	Rio Grande S.	3d wk Oct		8,064	11,542		159,231	159,231				
Cumbe'ld Valley	September		196,507	105,605		577,793	325,235	Rio Grande W.	August....		4,483,923	3,879,676		15,115	15,115				
Denv. & Rio Gr.	3d wk Oct		360,000	386,400		5,800,391	5,748,978	Rutland.....	3d wk July		19,268	103,804		234,140	234,140				
Dio Gr. West J.	September		82,905	68,493		246,422	201,524	St J & Gr.....	August....		3,197,932	2,996,217		6,083,159	4,969,400				
Det & Mackinac	3d wk Oct		34,509	28,211		545,105	463,630	St L & Southwest	3d wk Oct		160,992	178,411		2,257,503	2,257,503				
Detroit Southern	3d wk Oct		34,509	28,211		545,105	463,630	St L Van & T H.	September		216,737	196,320		630,861	630,861				
Det St & A. H.	3d wk Oct		55,881	50,563		941,525	934,683	San Ant & A P.	April....		230,968	247,620		2,141,776	2,141,776				
East & W. of Ala.	May.....		22,005	16,026		223,343	171,161	San Fran & N P.	September		135,532	138,438		423,880	423,880				
Erie.....	September		4,224,844	3,511,494		13,108,697	10,361,186	Seaboard Air L.	3d wk Oct		108,167	71,903		912,444	2,000,000				
Evans & Indian	3d wk Oct		7,912	135,336		129,966	129,966	Southern Ind...	September		7,386,145	6,443,488		13,674,171	13,674,171				
Evans & T H.....	3d wk Oct		37,527	34,613		611,659	558,194	So Pacific Co.	August....		2,054,809	1,853,768		4,033,865	3,793,438				
Freid & N R's	August....		3,057	2,787		5,807	5,807	Gal Har & S A.	August....		526,853	507,660		1,102,048	1,102,048				
Farm & Potomac	August....		259,118	219,475		522,055	454,015	Gal House & N.	August....		134,976	71,742		252,074	252,074				
F W & Deny City	August....		173,248	164,426		354,857	320,921	Gulf W T & P.	August....		12,891	18,780		299,758	299,758				
Georgia RR.....	September		121,124	112,992		399,105	354,860	Louis & West.	August....		148,594	165,757		384,704	384,704				
Gu & South & Fla.	September		31,378	25,516		61,562	49,905	Morgan's L & T	August....		351,972	334,704		690,338	690,338				
Guila Ship Island	2d wk Oct		37,414	34,621		543,689	477,391	N Y T & Mex....	August....		361,575	328,239		725,204	725,204				
Hocking Valley.	3d wk Oct		135,913	131,463		2,112,605	1,951,670	Oregon & Calif.	August....		118,590	98,559		332,453	332,453				
Hous & Tex Cent.	August....		442,816	402,148		836,411	741,200	So Pac Coast...	August....		2,806,317	2,290,169		5,490,843	5,490,843				
H & E W. Texas	August....		60,261	67,434		124,438	128,297	So Pac RR Co.	August....		310,251	262,004		634,630	634,630				
Hous & Shrevep't	August....		14,158	19,366		39,512	35,577	Tex & N Orl....	August....		923,568	878,022		13,900,728	13,900,728				
Illinois Central.	September		3,890,602	3,734,456		11,623,907	10,538,695	Southern Railway	3d wk Oct		192,407	161,697		501,728	501,728				
Illinois Southern	September		16,022	19,013		44,045	39,155	Terre H & Ind.	September		62,065	53,318		182,092	182,092				
Ind Ill & Iowa....	September		123,815	123,815		221,992	261,707	Terre H & Peor.	September		17,478	16,594		194,986	194,986				
Int & St. Yo's R.	Wk Oct 10		147,250	158,442		1,761,875	1,666,584	Texas Central...	3d wk Oct		29,089	24,732		3,277,302	3,277,302				
Introc Meo R.	Wk Oct 10		109,800	81,710		1,500,580	1,396,580	Texas & Pacific.	3d wk Oct		11,500	10,700		20,800	20,800				
Iowa Central....	3d wk Oct		46,505	50,773		748,035	770,528	Tex & W N.....	August....		16,651	15,279		33,313	33,313				
Kanawha & Mich	3d wk Oct		32,411	23,617		533,908	248,402	Tex &											

Latest Gross Earnings by Weeks.—In the table which follows we sum up separately the earnings for the third week of October. The table covers 49 roads and shows 7 1/4 per cent increase in the aggregate over the same week last year.

3d week of October.	1903.	1902.	Increase.	Decrease.
\$	\$	\$	\$	\$
Alabama St. Southern	60,424	47,256	13,168	
Am. Ariz.	33,909	32,961	948	
Canadian Pacific	1,019,000	942,000	77,000	
Chambersburg Southern	229,860	217,950	11,910	
Chesapeake & Potomac	1,303	1,142	161	
Chesapeake & Western	104,351	155,836	51,485	
Chesapeake & Eastern	115,386	105,435	9,951	
Chesapeake & Annapolis	35,613	35,613		
Chesapeake & Transp.	127,575	101,725	25,850	
Chesapeake & Texas Pac.	127,273	150,067	22,794	
Chesapeake & Southern	369,000	386,400	17,400	
Chesapeake & New Granada	34,509	33,211	1,298	
Chesapeake & Northern	55,891	56,563	672	
Chesapeake & A. & A.	7,912	9,131	1,219	
Chesapeake & Indianan.	37,527	34,618	2,909	
Chesapeake & Terre Haute				
Chesapeake & Canada	709,319	679,617	29,702	
Chesapeake & West.				
Chesapeake & Milw.	125,913	131,463	5,550	
Chesapeake Valley	147,380	159,442	12,062	
Chesapeake & St. Mo.	46,505	50,773	4,268	
Chesapeake & N. & W.	32,411	32,411		
Chesapeake & N. & W.	774,975	720,860	54,115	
Chesapeake & N. & W.	469,312	456,960	12,352	
Chesapeake & N. & W.	13,156	10,674	2,482	
Chesapeake & N. & W.	71,052	72,569	1,517	
Chesapeake & N. & W.	124,718	197,767	73,049	
Chesapeake & N. & W.	431,529	413,628	17,901	
Chesapeake & N. & W.	831,000	794,000	37,000	
Chesapeake & N. & W.	31,000	23,000	8,000	
Chesapeake & N. & W.	8,329	4,388	3,941	
Chesapeake & N. & W.	142,084	129,609	12,475	
Chesapeake & N. & W.	201,146	182,666	18,480	
Chesapeake & N. & W.	172,028	162,608	9,420	
Chesapeake & N. & W.	446,926	392,599	54,327	
Chesapeake & N. & W.	237,149	217,720	19,429	
Chesapeake & N. & W.	8,694	11,542	2,848	
Chesapeake & N. & W.	180,992	178,411	2,581	
Chesapeake & N. & W.	254,132	265,986	11,854	
Chesapeake & N. & W.	923,568	879,032	44,536	
Chesapeake & N. & W.	17,478	16,594	884	
Chesapeake & N. & W.	242,089	242,742	653	
Chesapeake & N. & W.	70,639	61,078	9,561	
Chesapeake & N. & W.	29,696	26,911	2,785	
Chesapeake & N. & W.	68,608	59,938	8,670	
Chesapeake & N. & W.	808,926	459,920	349,006	
Chesapeake & N. & W.	89,076	82,781	6,295	
Chesapeake & N. & W.	142,500	141,508	992	
Total (49 roads)	10,195,438	9,697,448	497,990	82,579
Net increase (7 1/4 p. c.)			497,990	

*Includes Rio Grande Western. †Includes Lake Erie & Detroit River Ry. for both years.

†Figures are for week ending Oct. 17.

For the second week of October our final statement covers 49 roads, and shows 7 1/4 per cent increase in the aggregate over the same week last year.

2d week of October.	1903.	1902.	Increase.	Decrease.
\$	\$	\$	\$	\$
Previously rep'd (49 roads)	9,985,208	9,315,939	669,269	99,986
Canadian Northern	76,100	55,800	20,300	
Gulf & Ship Is.	37,414	36,821	593	
Intermountain (Mex.)	109,800	81,710	28,090	
Missouri Railway	103,500	91,000	12,500	
Norfolk Southern	21,574	17,322	4,252	
Western Ham. & Buffalo	19,008	9,608	9,400	
Total (49 roads)	10,323,601	9,608,800	714,801	98,986
Net increase (7 1/4 p. c.)			714,801	

Net Earnings Monthly to Latest Dates.—The table following shows the gross and net earnings of ST. RAILROADS reported this week. A full detailed statement, including all roads from which monthly returns can be obtained, is given once a month in these columns, and the latest statement of this kind will be found in the CHRONICLE of Oct. 24, 1903. The next will appear in the issue of Nov. 21, 1903.

Roads.	Gross Earnings.		Net Earnings.	
	Current Year. \$	Previous Year. \$	Current Year. \$	Previous Year. \$
Alb. & N. H. Fe. b. Sept.	5,870,913	5,141,070	12,489,112	11,980,371
July 1 to Sept. 30	18,862,159	14,596,062	16,804,050	15,400,706
Atlantic Coast L. Sept.	1,510,140	1,584,934	544,291	507,742
July 1 to Sept. 30	4,572,717	4,247,308	1,286,790	1,235,078
Boston Rev. B. & Lynn b.				
July 1 to Sept. 30	220,337	195,786	46,173	43,374
Jan. 1 to Sept. 30	451,970	401,762	56,974	54,885
Chesapeake Gas Co. Sept.				
Oct. 1 to Sept. 30			22,551	32,894
Ches. & P. & Potom. b. Sept.			34,211	339,136
July 1 to Sept. 30	767,342	643,552	810,551	306,487
Canadian Northern Sept.	2,177,001	1,897,702	1,051,642	880,340
July 1 to Sept. 30	270,800	182,300	91,000	69,400
Canadian Pacific b. Sept.	776,400	445,500	262,000	171,000
July 1 to Sept. 30	5,987,002	3,651,482	1,202,266	1,410,755
Ches. of Georgia, Sept.	12,010,800	10,432,262	3,954,896	2,949,268
July 1 to Sept. 30	782,683	820,252	191,413	212,641
Ches. & Ohio. b. Sept.	2,183,345	2,180,273	396,197	566,638
July 1 to Sept. 30	1,572,707	1,181,846	526,009	367,159
Chicago & Alton b. Sept.	4,789,373	3,390,592	1,729,383	1,033,398
July 1 to Sept. 30	1,073,534	872,659	400,322	316,478
Commercial V. b. Sept.	3,073,008	2,570,419	1,102,250	956,194
Jan. 1 to Sept. 30	195,507	195,605	56,591	22,150
Detroit & Mack c. Sept.	1,468,597	883,109	306,981	236,537
July 1 to Sept. 30	82,905	68,493	32,202	25,866
	346,432	201,524	84,028	68,508

Roads.	Gross Earnings.		Net Earnings.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
	\$	\$	\$	\$
Erie.....Sept.	4,224,844	3,511,494	1,378,506	1,037,930
July 1 to Sept. 30....	13,108,697	10,361,183	4,396,397	3,273,582
Farm. & P. W.'s a. Aug.	7,093	6,049	def. 225	1,002
July 1 to Aug. 31....	13,160	14,486	def. 723	1,385
Gulf & Ship Isl. ....Aug.	153,713	138,184	57,385	46,473
July 1 to Aug. 31....	305,585	288,423	117,221	90,654
Hooking Valley.....Sept.	568,898	498,820	215,845	182,523
July 1 to Sept. 30....	1,723,482	1,676,062	671,689	615,959
Iowa Central.....Sept.	210,079	207,078	r85,003	r24,685
July 1 to Sept. 30....	607,453	617,024	r108,631	r89,588
Kanawha & Mich. ....Sept.	149,899	69,994	32,077	def. 9,014
July 1 to Sept. 30....	440,853	191,894	74,446	def. 20,736
L. Champlain & Moriah.....				
July 1 to Sept. 30....	31,126	30,854	ydf. 26,132	2,041
Jan. 1 to Sept. 30....	74,925	54,275	def. 24,393	9,190
Lehigh Valley R.R.—See detailed statement below.				
o Mex. Internat'l.....Sept.	539,765	542,512	232,561	208,501
Jan. 1 to Sept. 30....	5,840,002	4,714,799	2,111,839	1,801,310
Millen & Southw. a. ....Sept.	4,909	4,517	2,559	2,088
July 1 to Sept. 30....	12,320	12,319	5,129	3,765
Milwaukee Gas L. Co. ....Sept.			49,875	54,147
Jan. 1 to Sept. 30....			469,118	467,944
Minn. & St. Louis a. ....Sept.	369,853	351,232	v116,484	v146,230
July 1 to Sept. 30....	781,188	778,768	v316,180	v413,093
o Mex. P. R. R. of Mex. ....Sept.	830,878	808,078	211,731	816,186
Jan. 1 to Sept. 30....	8,653,098	6,884,853	2,841,184	2,292,346
N. Y. Ont. & West. a. ....Sept.	602,800	380,061	166,509	3,313
July 1 to Sept. 30....	1,966,887	1,096,121	648,737	130,139
N. Y. Sus. & West. a. ....Sept.	214,909	105,573	88,507	12,609
July 1 to Sept. 30....	697,629	369,288	289,896	90,854
Pittsburg Coal Co. ....Sept.			629,234	434,537
Jan. 1 to Sept. 30....			5,153,789	2,868,327
Poconantas Collieries Company.....Sept.				
Jan. 1 to Sept. 30....			36,066	
Reading Company.....Sept.			401,593	
Phila. & Read'g. b. ....Sept.	2,923,131	1,939,444	1,107,820	377,881
July 1 to Sept. 30....	9,126,422	5,852,815	3,751,210	1,417,347
Coal & Iron Co. b. ....Sept.	2,131,012	155,316	122,277	df. 254,185
July 1 to Sept. 30....	7,997,560	653,826	881,007	df. 795,097
Total both Co.'s b. ....Sept.	5,043,132	2,094,760	1,230,097	123,096
July 1 to Sept. 30....	17,134,982	6,506,641	4,632,217	622,430
Reading Co. b. ....Sept.			116,254	114,038
July 1 to Sept. 30....			361,880	349,440
Total all Comp's b. ....Sept.			1,346,351	237,734
July 1 to Sept. 30....			4,933,597	971,870
Texas Central.....Sept.	67,935	65,623	22,555	23,524
July 1 to Sept. 30....	145,166	139,060	17,381	22,582
Toledo & O. Cent. a. ....Sept.	352,716	260,584	101,222	44,223
July 1 to Sept. 30....	1,041,020	787,225	299,974	163,882
Union Pac. Syst. m. a. ....Sept.	5,182,444	4,557,427	2,417,250	2,363,972
July 1 to Sept. 30....	14,905,664	12,823,779	6,481,692	6,438,413
Wabash b. ....Sept.	2,239,897	1,840,909	716,133	610,924
July 1 to Sept. 30....	6,361,367	5,466,144	1,977,635	1,719,642
Wisconsin Centr'l. b. ....Sept.	593,010	592,966	211,875	236,317
July 1 to Sept. 30....	1,836,960	1,734,902	686,418	686,197
a Net earnings heregiven are after deducting taxes.				
b Net earnings heregiven are before deducting taxes.				
c These figures are in Mexican currency, and are convertible into gold at the current rate of exchange.				
d Length of road having been reduced in July, 1903, by 562 miles on account of sale of part of the Oregon Short Line system, figures for 1902 have been revised to conform to the new basis.				
e For September additional income is \$455 this year, against \$3,914 last year. From July 1 to Sept. 30 additional income this year is \$14,974 against \$6,703 last year.				
f Including earnings of Savannah Florida & Western in both years, and also Florida Southern and Sanford & St. Petersburg Ry. in both years.				
g For September additional income is \$7,251 this year, against \$17,267 last year. From July 1 to Sept. 30 additional income is \$38,980 this year against \$44,888 last year.				
h Decrease for September is due to adjustments made on closing of books at end of fiscal year.				
i Expenses include extraordinary charges for new bridges and betterments.				
j For September, 1903, taxes and rentals amounted to \$189,785, against \$183,943, after deducting which net for September, 1903, was \$2,299,327 against \$1,766,328. From July 1 to September 30, 1903, taxes and rentals amounted to \$528,967 this year against \$463,237 last year, after deducting which, balance is \$6,075,083 this year against \$4,845,419.				
Interest Charges and Surplus.—The following roads, in addition to their gross and net earnings given in the foregoing, also report charges for interest, etc., with the surplus above or deficit below those charges.				
Roads.	Int'l. Rentals, etc.		Bal. of Net Earnings.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
	\$	\$	\$	\$
Boston Nev. B. & Lynn.....				
July 1 to Sept. 30....	16,066	14,906	*35,443	*33,900
Jan. 1 to Sept. 30....	40,222	45,469	*23,093	*21,933
Gulf & Ship Isl. ....Aug.	19,306	13,563	*39,090	*35,073
July 1 to Aug. 31....	38,415	26,626	*80,763	*64,437
Hooking Valley.....Sept.	76,196	69,071	*147,574	*121,387
July 1 to Sept. 30....	238,377	216,963	*461,783	*432,320
Kanawha & Mich. ....Sept.	23,464	14,041	*9,306	*df. 19,583
July 1 to Sept. 30....	61,520	39,497	*14,777	*df. 58,509
L. Champlain & Moriah.....				
July 1 to Sept. 30....	694	694	df. 26,539	*1,449
Jan. 1 to Sept. 30....	2,124	1,901	df. 26,087	*7,787
N. Y. Ont. & West. ....Sept.	66,153	g80,935	100,356	def. 57,631
July 1 to Sept. 30....	g197,536	g181,268	451,301	def. 51,129
Poconantas Collieries Company.....Sept.	d14,185			
Jan. 1 to Sept. 30....	d180,062		21,881	
Reading—			271,531	
All companies.....Sept.	885,000	895,721	458,351	df. 657,997
July 1 to Sept. 30....	2,604,000	2,697,163	2,319,397	df. 17,029

a Net earnings here given are after deducting taxes.

b Net earnings here given are before deducting taxes.

c These figures are in Mexican currency, and are convertible into gold at the current rate of exchange.

g Length of road having been reduced in July, 1903, by 562 miles on account of sale of part of the Oregon Short Line system, figures for 1902 have been revised to conform to the new basis.

r For September additional income is \$455 this year, against \$3,914 last year. From July 1 to Sept. 30 additional income this year is \$14,974 against \$6,708 last year.

u Including earnings of Savannah Florida & Western in both years, and also Florida Southern and Sanford & St. Petersburg Ry. in both years.

v For September additional income is \$7,251 this year, against \$17,267 last year. From July 1 to Sept. 30 additional income is \$38,980 this year against \$44,588 last year.

x Decrease for September is due to adjustments made on closing of books at end of fiscal year.

y Expenses include extraordinary charges for new bridges and betterments.

† For September, 1903, taxes and rentals amounted to \$189,785, against \$182,943, after deducting which net for September, 1903, was \$2,299,327 against \$1,766,328. From July 1 to September 30, 1903, taxes and rentals amounted to \$525,967 this year against \$563,287 last year, after deducting which, balance is \$6,075,083 this year against \$4,843,419.

Interest Charges and Surplus.—The following roads, in addition to their gross and net earnings given in the foregoing, also report charges for interest, etc., with the surplus above or deficit below those charges.

Roads.	—Int., Rentals, etc.—		—Bal. of Net Earn'gs.—	
	Current Year. \$	Previous Year. \$	Current Year. \$	Previous Year. \$
Boston Rev. B. & Lynn—				
July 1 to Sept. 30....	16,066	14,906	*35,443	*33,900
Jan. 1 to Sept. 30....	46,222	45,499	*23,093	*21,933
Gulf & Ship Isl. ....Aug.	19,306	18,553	*39,000	*33,073
July 1 to Aug. 31....	38,415	26,626	*80,753	*64,427
Hooking Valley ....Sept.	76,196	69,071	*147,574	*121,387
July 1 to Sept. 30....	235,377	216,963	*461,783	*432,930
Kanawha & Mich. ....Sept.	23,464	14,041	*9,306	*df. 12,583
July 1 to Sept. 30....	61,520	39,497	*14,777	*df. 58,509
L. Champlain & Moriah—				
July 1 to Sept. 30....	694	694	df. 26,539	*1,449
Jan. 1 to Sept. 30....	2,124	1,901	df. 36,087	*7,787
N. Y. Ont. & West. ....Sept.	659,153	650,985	100,356	def. 57,631
July 1 to Sept. 30....	1,973,536	1,811,268	451,301	def. 51,129
Poconchos Collieries Company.....Sept.	41,185		21,881	
Jan. 1 to Sept. 30....	1180,062		271,351	
Heading—				
All companies.....Sept.	888,000	895,721	458,351	df. 687,987
July 1 to Sept. 30....	2,664,000	2,687,163	2,819,897	df. 1710,803

Roads.	Int., Rentals, etc.		Bal. of Net Earnings.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Texas Central.....	2,593	2,583	19,972	20,941
July 1 to Sept. 30....	7,749	7,689	9,632	14,893
Toledo & Ohio Wn. Sept.	40,816	38,839	*60,442	*5,799
July 1 to Sept. 30....	119,689	116,782	*180,997	*48,495
Wisconsin Central. Sept.	144,293	145,107	*72,798	*94,173
July 1 to Sept. 30....	439,318	440,307	*259,053	*354,913

* After allowing for other income received.

† Charges include sinking fund and preferred dividend.

‡ These are net charges after allowing for other income received.

LEHIGH VALLEY RAILROAD COMPANY.

	September.		July 1 to Sept. 30.	
	1903.	1902.	1903.	1902.
Gross earnings.....	2,703,652	1,488,561	8,187,559	4,155,161
Operating expenses.....	1,520,619	1,498,139	4,563,193	4,434,637
Net earnings.....	1,183,034	def. 34,578	3,624,366	def. 279,476
Other income.....	42,870	6,815	159,662	14,377
Total income.....	1,225,904	def. 28,263	3,784,028	def. 265,099
Int. taxes (est.) and other deductions.....	488,365	487,908	1,477,149	1,469,351
Additions & improvements.....	66,100	119,000	173,000	347,000
Total deductions.....	554,465	606,908	1,650,149	1,816,351
Net income.....	671,439	df. 634,571	2,113,909	df. 2,081,450
Net inc. Lehigh Val. and oth. contr'd coal coa.	14,000	df. 228,890	156,309	def. 695,256
Total net income....	685,439	df. 863,461	2,270,218	df. 2,776,706

STREET RAILWAYS AND TRACTION COMPANIES.

The following table shows the gross earnings for the latest period of all street railways from which we are able to obtain weekly or monthly returns. The arrangement of the table is the same as that for the steam roads—that is, the first two columns of figures give the gross earnings for the latest week or month, and the last two columns the earnings for the calendar year from January 1 to and including such latest week or month.

STREET RAILWAYS AND TRACTION COMPANIES.

GROSS EARNINGS.	Latest Gross Earnings.		Jan. 1 to Latest Date.	
	Week or Mo.	Current Year.	Previous Year.	Current Year.
American Ry. Co. J.	September	132,004	107,614	1,032,019
Aur. Elgin & Chic. Ry.	September	44,394	.....	152,436
Birmingham Ry. Co.	September	31,937	18,432	182,691
B'rya Rap. Tr. Co.	29 days Sept.	1,308,368	1,043,944	48,807,976
Burlington (Vt.) Trac.	September	227,656	6,696	58,634
Cal. Gas & Electric Co.	August	45,753	35,391	391,125
Cent. Penn. Trac. Co.	September	40,921	19,347	149,638
Chicago & Mil. Elec.	September	49,983	44,090	391,486
Chic. Dayton & Tol. Tr.	September	112,576	96,217	794,967
Cin. N. & Cov'g. Light & Traction.	August	9,583	9,041	63,882
Citizens' Ry. & Light (Massachusetts, Iowa).	September	43,159	130,484	330,322
Cleve. & So. W. Ry. Co.	September	23,023	19,339	164,856
Cleve. Painsv. & E.	September	19,201	31,066	95,514
Dart. & W. Port St. Ry.	August	82,630	74,023	3,564,592
Detroit United Ry. Co.	34 wk. Oct.	13,274	10,385	489,276
Duluth-Sup. Tract. Co.	24 wk. Oct.	13,274	10,385	489,276
East. Ohio Traction.	September	21,677	153,214	153,214
Elgin Aurora & Sou.	September	40,446	37,806	346,170
Havana Elec. Ry. Co.	Oct. 25	125,985	122,455	1,048,203
Honolulu Rapid Tr. & Land Co.	August	25,731	17,326	177,136
Houston Co. St. Ry.	August	20,871	17,395	.....
Houston Elec. St. Ry.	August	20,871	17,395	.....
Indianap. & E. St. Ry.	September	20,315	11,896	455,012
Indianap. & Martineville Rapid Trac.	August	14,196	.....	425,701
Indianap. Shelbyville & Southeastern Tr.	July	9,513	.....	.....
Internat'l Tract. Co. System (Buffalo)....	September	377,921	321,255	3,003,344
Ithaca Street Ry.	August	11,579	12,030	180,043
Jacksonville Elec. Co.	August	21,789	17,832	128,031
Lake Shore Elec. Ry.	September	61,773	61,773	578,797
Lake Street Elevated	September	13,391	6,379	105,522
Lehigh Val. Trac. Co.	July	82,982	72,987	454,993
Street Ry. Dep.	July	11,645	7,115	89,002
Electric Light Dep.	September	31,744	27,356	232,911
Lexington Ry. Co.	September	19,631	15,157	123,517
Mad. (Wia.) Traction.	Sept. mb-r	8,045	7,521	69,488
Met. West Side Elev.	September	169,399	157,126	1,513,702
Mil. Elec. Ry. & La. Co.	September	271,511	255,819	2,236,597
Mt. La. Road & Tr. Co.	September	48,059	35,350	321,436
Montreal Street Ry.	August	211,818	199,404	1,468,346
Musk. Tr. & Light. Co.	September	7,511	7,984	r60,242
Street Ry. Depart.	September	2,880	2,136	r21,297
Electric Light Dep.	September	4,018	2,984	r23,306
Gas Department.....	August	10,796	12,427	51,599
New London St. Ry.	August	5,474	3,072	.....
N. Y. & L. I. Tract.	August	68,098	67,492	411,138
Norfolk Ry. & Light.	September	41,949	38,926	336,297
Nor. Ohio Tr. & L. Co.	September	102,160	95,926	910,324
Northern Traction.	September	100,252	83,326	897,911
Oakland Trans. Cons.	August	9,218	6,319	57,324
Omaha St. Railway....	August	14,025	14,247	78,648
Orange Co. Traction.	September	1,196,076	1,088,798	11,327,983
Philadelphia Co. and Affiliated Corp's.	September	19,700	13,928	148,801
Pottow. Union Tract.	September	47,191	.....	398,707
Pueblo & Suburban	September	29,159	24,126	244,803
Rye Co. Gas. & Heat.	September	1,909	1,903	15,806
Light Co's.....	September	108,779	94,199	940,081
Rockford Railway....	September	11,990	.....	101,989
Rockford Beloit & Janesville	September	.....	.....	.....

GROSS EARNINGS.	Latest Gross Earnings.		Jan. 1 to Latest Date.	
	Week or Mo.	Current Year.	Previous Year.	Current Year.
St. Louis Transit....	September	635,109	561,921	5,401,418
San Bernardino Val. Tract. Co.	August	8,144	.....	414,390
Sao Paulo (Brasil) Tram. L't & Po. Co.	September	126,000	102,900	963,300
Savannah Elec. Co.	August	50,766	46,198	.....
Scranton Railway....	September	75,923	55,647	619,577
Seattle Electric Co....	August	188,541	179,116	1,303,929
South Side Elevated.	September	122,830	114,868	1,185,329
Springfield & Xenia Tr.	Wk. Oct. 26	994	.....	48,996
Syracuse Rap. Tr. Ry.	September	72,079	61,164	594,136
Tampa Electric Co....	June	26,558	18,897	.....
Terre Haute Elec. Co.	August	46,256	34,466	.....
Tol. Bowl Gr. & So. Tr.	September	28,915	21,974	.....
Toledo Ry. & Light.	September	150,011	127,689	1,303,929
Toledo & Western....	July	17,152	.....	1,048,771
Toronto Railway....	Wk. Oct. 24	39,777	34,423	1,098,758
Twin City Rap. Tran.	3d wk. Oct.	77,368	68,861	2,284,546
Union (N. Bedford)....	August	39,277	36,300	245,821
Union Trac. of Ind.	September	108,098	89,845	892,501
United of San Fran.	September	541,196	486,777	4,880,077
Utica & Mohawk Val.	August	72,361	62,489	.....
Wash. Alex. & Mt. V.	September	21,287	17,668	173,330
West. Ohio Ry.	September	22,905	.....	72,353
Youngstown-Sharon	September	48,781	.....	383,930

† Spanish silver.

‡ These are results for properties owned.

§ Results for main line.

¶ Figures here are from July 1.

‡ These earnings include the Detroit United Ry., Detroit & Huron Shore Line and the Sandwich Windsor & Amherstburg Ry.

§ These figures are from Mar. 1.

¶ Figures for 1902 cover only the Cleve. Elgin & Western Ry. Co.

‡ For the past six months figures are those of the Harrisburg Union Co.

Street Railway Net Earnings.

Roads.	Gross Earnings.		Net Earnings.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Cincinnati Dayton & Toledo Traction Co. Sept.	49,983	44,090	36,883	31,940
Jan. 1 to Sept. 30....	391,496	344,954	175,078	158,000
June 1 to Sept. 30....	204,661	184,501	106,076	98,000
Duluth-Sup. Tract. Co. Sept.	51,577	48,763	23,485	22,000
Jan. 1 to Sept. 30....	465,261	396,258	206,390	180,000
East. Ohio Traction Co. Sept.	21,677	.....	8,778	.....
Jan. 1 to Sept. 30....	153,314	.....	55,004	.....
Elmira Water L't & RR. (Street Railway Department only.)	.....	.....	.....	.....
July 1 to Sept. 30....	63,120	53,563	14,314	17,300
International Tract. Co. System (Buffalo) Sept.	377,921	321,255	178,881	160,000
Jan. 1 to Sept. 30....	3,003,344	2,553,867	1,396,480	1,171,000
Jamestown St. Ry. ....	.....	.....	.....	.....
July 1 to Sept. 30....	35,107	30,484	12,096	8,171
Lexington Ry. Co. ....	.....	.....	.....	.....
Sept.	35,835	32,917	15,094	13,511
Jan. 1 to Sept. 30....	31,764	27,355	14,718	13,000
May 1 to Sept. 30....	232,971	201,458	92,116	83,000
London St. Ry. (Can.) Sept.	154,272	138,330	64,344	64,000
Jan. 1 to Sept. 30....	19,536	18,157	9,979	9,000
Jan. 1 to Sept. 30....	132,517	116,661	48,913	44,000
N. Y. & North Shore (now Long Isl. Elec. Co.) b-	.....	.....	.....	.....
July 1 to Sept. 30....	48,304	42,076	23,749	19,000
New London St. Ry. Aug.	10,799	12,427	4,743	6,000
Jan. 1 to Aug. 31....	51,559	51,519	24,118	19,000
Syracuse Rap. Tr. Co. Sept.	72,079	61,164	32,113	27,800
Jan. 1 to Sept. 30....	594,135	530,928	257,743	223,700
July 1 to Sept. 30....	212,930	184,315	95,134	80,000
United Tr. (Alb'y) b-	.....	.....	.....	.....
July 1 to Sept. 30....	435,681	386,301	156,134	134,000
Western Ohio Ry. Sept.	22,905	.....	12,019	.....
July 1 to Sept. 30....	73,852	.....	40,743	.....
Youngstown-Sharon Ry. & L't. Co. ....	.....	.....	.....	.....
Jan. 1 to Sept. 30....	48,781	.....	18,881	.....
.....	383,930	.....	156,900	.....

a Net earnings here given are after deducting taxes.

b Net earnings here given are before deducting taxes.

Interest Charges and Surplus.

Roads.	Int., Rentals, etc.		Bal. of Net Earnings.	
	Current Year.	Previous Year.	Current Year.	Previous Year.
Cincinnati Dayton & Toledo Traction Co. Sept.	16,000	16,251	10,383	4,700
Jan. 1 to Sept. 30....	144,103	125,837	31,795	20,000
June 1 to Sept. 30....	64,291	65,240	40,785	30,000
Duluth-Sup. Tract. Co. Sept.	15,832	14,619	7,651	9,000
Jan. 1 to Sept. 30....	139,045	131,819	60,125	57,000
Elmira Water L't & RR. (Street Railway Department only.)	.....	.....	.....	.....
July 1 to Sept. 30....	12,374	11,257	2,260	2,000
International Tract. Co. System (Buffalo) Sept.	127,445	125,837	49,436	32,000
Jan. 1 to Sept. 30....	1,166,667	1,129,869	336,763	280,000
Jamestown St. Ry. ....	.....	.....	.....	.....
July 1 to Sept. 30....	7,787	7,779	4,963	4,000
Lexington Ry. ....	.....	.....	.....	.....
Month of Sept.	5,412	4,321	9,012	10,000
Jan. 1 to Sept. 30....	47,899	39,264	44,177	40,000
May 1 to Sept. 30....	27,060	22,134	39,184	35,000
London St. Ry. (Can.) Sept.	2,432	2,109	6,794	6,000
Jan. 1 to Sept. 30....	19,872	20,383	28,899	28,000
N. Y. & North Shore (now Long Isl. Elec. Co.) b-	.....	.....	.....	.....
July 1 to Sept. 30....	9,186	9,130	14,870	15,000
Syracuse Rapid Tr. Sept.	20,229	19,025	11,784	8,000
United Trac. (Alb'y) b-	.....	.....	.....	.....
July 1 to Sept. 30....	76,148	71,567	95,431	91,000

* After allowing for other income received.

ANNUAL REPORTS.

This index does not include	Railroads, Etc.—	Pages.
American, etc., Carriage and Traction.....	Pacific Coast.....	1891, 1896
" " Mailing.....	Pullman Co.....	1293
" " New York....	Toledo & Ohio Central.....	1891
Baltimore & Annapolis.....	Tobacco St. Louis & Wabash R.R.....	697, 1220, 1306
Cincinnati & Hamilton Brooklyn.....	STREET RAILWAYS—	
Detroit & Lake Shore.....	Birmingham, Ala. City.....	247
Eastern Georgia.....	N. Y. & Worcester St. Ry. (bal- ance sheet July 1).....	66
Harrisburg & Gettysburg.....	Brooklyn Rapid Transit, in operation at N. Y. C. (bal-) ance sheet Jan. 1.....	713
Maryland & Poo. Bay.....	New Orleans Railways (c.m.s.).....	648
North Carolina.....	Phila. Rapid Transit.....	697
Oregonian.....	United Traction of Albany, etc.....	797
Southern Railway.....		
Vermont.....		
Virginia & West.....		

The company's seventh annual report is given at considerable length on pages 1537 to 1543 of to-day's CHRONICLE, embracing the remarks of President Yoakum, comparative tables of earnings, and balance sheet for two years past, etc. Comparative statistics for three years have been compiled for the CHRONICLE as follows:

Total	15,875,978	13,472,471	11,409,887
P. & of opera'g expens. to earn.	(65 36)	(62 31)	(59 04)
Net earnings	8,413,532	8,148,411	7,914,392

*Dividends paid were: 4 p. c. on 1st pref. in all the years; on 2d pref. 4 p. c. in 1903 and 1902, and 2½ p. c. in 1901. Also 4 p. c. on E. C. P. & M. com. stock in 1901.—V. 77, p. 961, 770.

[illegible]

* All owned by the Company, except \$51,100 of the Fort Worth & Rio Grande Railway Company issue.
+ \$1,741,000 of the funded debt of auxiliary companies is owned by the Company, of which \$4,000,000 is deposited under the refunding mortgage; \$500,000 under the K. C. F. S. & M. Ry. Co refunding mortgage, and \$330,000 under the trust mortgage of 1887.

President Franklin W. Cram says in part:
NEW EQUIPMENT AND EARNINGS.—There were expended from this year's improvement fund, and from surplus earnings, not included in operating expenses, \$285,132, viz: For 2-0 box car of 30-tons capacity, \$144,900; additions and improvements to roadway and structures, \$140,232. These expenditures were made from proceeds of refunding mortgage 4 p. o. bonds, \$228,089; from surplus income, as shown \$7,003.

The growth in population, land under cultivation, and in manufacturing development, has in the past two years been greater, probably, than ever before in Northern Maine, and if no adverse conditions should arise to affect the condition of poe aces, at this writing superlative as to yield and quality, the volume of tonnage to offer will heavily tax all the motive power the company owns and all the cars it owns or can obtain.

Twelve and one-half miles of new 70-lb. per yard steel were laid in main line and 13 miles of 56-lb steel on the Ashland Branch replaced with 70-lb. per yard steel elsewhere released. All but two miles of the latter were replaced with 70-lb. per yard steel, the two miles of which this report is presented, have been laid with heavy steel, and that part of the road well ballasted; 153,000 tie plates and 10,450 new (Weber) joints have been purchased and mostly used to strengthen the track on curves or where traffic is heavy; 26,000 yards of ballast were placed on the track, 10,000 on the Ashland Branch, 16,000 new; 22 wooden culverts replaced by iron pipe, two wooden bridges on the Iron Works Branch replaced with steel, full electric semaphore plants installed at Milo Junction, Brownville and Ashland, etc., etc.

	1999-00	2000-01	2001-02	2002-03
OPERATIONS, EARNINGS, EXPENSES AND CHARGES:				
Operating revenues	1,000.00	1,000.00	1,000.00	1,000.00
Operating expenses	(500.00)	(500.00)	(500.00)	(500.00)
Operating earnings	500.00	500.00	500.00	500.00
Operating charges	(200.00)	(200.00)	(200.00)	(200.00)
Operating income	300.00	300.00	300.00	300.00
Non-operating income	100.00	100.00	100.00	100.00
Non-operating charges	(50.00)	(50.00)	(50.00)	(50.00)
Non-operating income	50.00	50.00	50.00	50.00
Total income	350.00	350.00	350.00	350.00
Income taxes	(100.00)	(100.00)	(100.00)	(100.00)
Net income	250.00	250.00	250.00	250.00
Dividends	(100.00)	(100.00)	(100.00)	(100.00)
Retained earnings	150.00	150.00	150.00	150.00
Total assets	1,000.00	1,000.00	1,000.00	1,000.00
Total liabilities	(500.00)	(500.00)	(500.00)	(500.00)
Total equity	500.00	500.00	500.00	500.00

Total	1,138,117	1,107,164	913,339	746,841
Net earnings	664,051	601,773	536,006	453,892
Fixed charges—				
Int. on bonds & car trusts	482,515	414,891	404,930	351,554
Miscellaneous	23,161	13,909	1,558	177
Depreciations	57,083	118,741	80,000	79,200
Total	572,739	547,541	486,488	432,761
Surplus for year	91,312	54,332	49,608	52,121

Assets—		Liabilities—	
Cost of road, etc....	8,522,145	Common stock	1,050,000
Equip. accounts.....	2,884,230	Preferred stock.....	500
Accruals.....	1,037,837	Reserves.....	64,000
Mat'l, sup. & store..	416,477	(see INV. SUPP.).....	10,143,000
Comp's & indiv'id..	4,361	Interest & rentals	212,700
Accruals.....	47,500	Pay rolls.....	110,000
Due from agents.....	20,000	Miscellaneous.....	91,98
Expense accounts.....	9,930	Bills payable.....	135,424
Accr. & no. com. stck.	17,300	Profit and loss	186,45
Real estate.....	41,507		
Total.....	12,904,978	Total.....	12,904,978

Chicago & Alton Railway.

(Report for the year ending June 30, 1903.)

On pages 1544 to 1546 is published in full the remarks of President Felton from the report for 1902-03, and also the balance sheet, income account and profit and loss account.

Statistics.—The earnings and expenses, the income account, various statistics, and a comparison of the balance sheets of June 30 follow:

OPERATIONS AND FISCAL RESULTS.			
	1902-03.	1901-02.	1900-01.
Average miles operated.....	915	920	920
Operations, etc.			
Gross receipts per mile of road..	\$11,002	\$10,032	\$9,526
Tons of revenue freight carried..	5,877,995	4,222,391	4,685,120
Tons of rev. freight car. 1 mile..	110,799,462	903,745,440	825,096,718
Freight receipts per ton p. mile..	\$2.16	\$2.14	\$2.08
Passenger receipts (rev. pass. only)..	2,879,374	2,491,905	2,353,228
Passengers carried one mile.....	146,553,521	138,591,857	132,887,935
Receipts per passenger per mile..	\$1.98	\$1.86	\$1.84
Receipts per passenger train mile, including mail and express....	\$1.19	\$1.10	\$1.11
Aver. train load (revenue), tons..	360.55	315.98	288
Receipts—			
Freight.....	6,810,637	6,127,505	5,934,141
Passenger.....	2,908,593	2,579,468	2,572,175
Mail.....	241,112	241,251	241,125
Express.....	218,039	199,308	190,500
Miscellaneous.....	92,721	80,207	77,714
Gross.....	10,071,092	9,225,739	9,036,655
Expenses—			
Maint. of way and structures....	1,213,965	959,331	1,109,514
Maintenance of equipment.....	1,190,832	1,042,078	879,412
Conducting transportation.....	3,988,008	3,797,476	3,384,637
General expenses.....	237,931	225,084	222,105
Total operating expenses....	6,625,196	6,023,918	5,595,668
P. c. of oper. expen. to earnings..	(68.79)	(65.29)	(61.92)
Net receipts, taxes not deducted.	3,445,896	3,201,821	3,440,987
INCOME ACCOUNT YEAR ENDING JUNE 30.			
	1902-03.	1901-02.	1900-01.
Net receipts from operation.....	3,445,896	3,201,821	3,440,987
Dividends on stocks owned.....	1,525,632	1,525,632	1,525,632
Interest on bonds owned and miscellaneous income.....	244,449	2,517	5,759
Total income.....	5,215,967	4,729,960	4,972,368
Deductions—			
Rentals paid under lease of C. & A. R.R., v. z.:—			
Int. on 3 p. c. refunding bonds..	1,200,000	959,799	959,550
Rentals payable by C. & A. R.R.	345,021	237,027	237,027
Taxes.....	345,000	345,000	330,437
Net earnings of leased property	1,544,462	1,589,643	1,826,457
Miscellaneous.....	7,105	3,158	—
Int. on 1st lien bonds of Ry. Co..	770,000	770,000	770,000
Int. on 4 p. c. collat. trust notes..	97,004	—	—
Discount on 4 p. c. collateral trust notes sold.....	29,728	—	—
Interest on loans, etc.....	125,843	—	—
Miscellaneous.....	2,663	—	—
Total charges.....	4,364,926	3,904,617	4,123,461
Surplus available for dividend..	851,041	825,342	848,908
Divs. paid on pref. stock (4 p. c.)	781,760	781,760	781,760
Bal., surp., for the fiscal year	69,281	43,582	67,148

x Under its lease of the Railroad, the Railway company operates the line and as rental paid in 1902 08 the interest, taxes and rentals, and also the balance of the road's net earnings, \$1,544,462. From this last was paid 7 per cent (\$1,045,841) by the C. & A. R.R. This stock is nearly all owned by the railway company, which therefore treats the dividends received thereon (\$1,525,632) as "other income," as shown.

GENERAL BALANCE SHEET JUNE 30.			
	1903.	1902.	1901.
Assets—			
Road, equipment, etc.....	65,230,517	61,152,660	61,148,912
Cash.....	972,846	398,100	1,144,163
Bonds owned.....	2,928,800	—	—
Station agents and conductors..	476,442	94,323	124,044
Individuals and companies.....	701,189	283,239	596,307
United States Government.....	76,312	126,231	—
Advances to Chic. & A. R. Ry. Co.:—			
Betterments and equip't (net)...	616,672	4,490,944	4,238,654
Materials and supplies.....	335,009	456,073	292,738
Contingent assets.....	231,850	342,767	—
Total assets.....	70,989,637	67,339,246	67,584,661
Liabilities—			
Common stock.....	19,542,800	19,542,800	19,542,800
Preferred stock.....	19,544,000	19,544,000	19,544,000
3 p. c. bonds.....	22,000,000	22,000,000	22,000,000
4 p. c. collateral trust notes.....	3,685,000	—	—
Pay-rolls and accounts.....	1,307,895	1,190,565	1,222,969
Comps. due July.....	457,700	385,000	388,037
Dividends payable July 1.....	891,876	391,534	391,238
Interest and dividends not due..	267,096	267,096	—
Loans and bills payable.....	2,510,000	—	—
Traffic balances.....	114,845	—	—
Proceeds sale of Chicago prop'ty..	615,248	—	—
Contingent liability.....	14,037	101,792	23,118,599
Miscellaneous.....	569,438	500,157	463,071
Income account, surplus.....	70,989,637	67,339,246	67,584,661

—V. 77, p. 1225, 950.

Central Pacific Railway.

(Statement for the year ended June 30, 1903.)

The results for the fiscal years ending June 30 compare as follows:

	1902-03.	1901-02.	1900-01.
Gross earnings.....	\$21,121,671	\$20,191,111	\$19,338,289
Operating expenses.....	12,636,477	12,558,646	11,675,206
Net earnings.....	\$8,485,194	\$7,632,465	\$7,663,083
Other income.....	863,944	1,000,070	920,542
Total income.....	\$9,349,138	\$8,632,435	\$8,583,625
Fixed charges, etc.....	5,276,513	4,917,716	6,385,295
Balance, surplus.....	\$4,069,525	\$3,715,720	\$1,640,830

—V. 76, p. 809.

Chicago & Eastern Illinois Railroad.

(Report for the year ending June 30, 1903.)

President B. F. Yoakum says in part:

The gross receipts from traffic, as compared with the previous year, increased 23.04 p. c. or \$1,446,354, and the net receipts increased 23.04 p. c. or \$938,989. The Roseville Branch, extending from Danville Junction, Ill., to Judyville, Ind., 13.77 miles, was completed and put in operation. No additional stock was issued.

Bonds.—The funded debt was increased \$1,545,000 by the issue of \$377,000 general consolidated and first mortg. 5 p. c. bonds (for Danville Branch, \$197,000; second main track, Terre Haute Division, 13.07 miles, \$104,000; equipment, \$76,000) and by the issue of \$158,000 interim certificates to be exchanged for general consolidated and first mortgage 5 p. c. bonds to be issued on the completion of the road to Villa Grove, 60 miles; new road under construction, the Westland to Villa Grove, 60 miles; Findley to Pana, 22 miles; Westland to Freeland, 3.5 miles; Hunt's Extension near Clinton, southerly, 7 miles; second main track, Terre Haute Division, 13 miles.

ADDITIONS, ETC.—The "cost of road and equipment" was increased during the year \$1,902,336, as follows: Equipment, \$2,044,746; charged off for depreciation, \$100,000—\$1,784,394; new stock in Oaklawn, Danville, \$102,988; terminals at Dilton Junction, \$100,000; total expended thereon to date, \$596,913; \$13,733; Roseville Branch, \$133,449; Milford Branch, \$801; Hunt's Extension, \$24,457; second main tracks, (Terre Haute and St. Elmo divisions, \$121,333; cost, \$220,202; less premium on bonds sold, \$220,966; charged to "cost of road and equipment," \$1,902,336.

In addition expenditures aggregating \$389,971 were made for repair of way, new construction and permanent betterments, and charged to "income account" for the current year, viz.: Right of way, \$100,000; additional side tracks (15.47 miles), \$119,897; substitution of steel for light steel track, \$26,123; bridges, \$3,123; buildings, \$4,000; and Brewer, \$13,884; reducing grades, miscellaneous, \$7,010.

EQUIPMENT.—Twenty freight engines were received and paid for. New cars were received as follows: 2 baggage cars, 15 passenger cars, 1,501 b. x cars, 760 coal cars, 1 steel coal car and 1 steam shovel. Trust notes, payable one-tenth yearly, were given to the American & Poultry Co. for 80 p. c. of the cost of 1,000 box cars and 750 cars. The 20 p. c. and the cost of the other cars were paid in cash. The river steamer T. H. Davis and the steel barges, "Kismet" were bought and paid for and the cost included in "cost of floating equipment," under "cost of road and equipment."

Statistics.—Operations, earnings and charges are shown below for four years:

	1902-03.	1901-02.	1900-01.	1900-00.
Miles oper. June 30.	751	738	727	711
Operations—				
Pass. carried, No.....	4,189,708	3,797,099	3,497,127	3,083,280
Pass. carried 1 mile.....	68,617,286	60,862,407	59,495,404	52,040,460
Rate p. pass. per m.....	1.72 cts.	1.72 cts.	1.48 cts.	1.96 cts.
Frgh't (tons) car. d.....	6,631,401	7,011,382	6,914,394	6,770,705
do do 1 mile.....	139,668,087	109,648,935	117,063,880	109,648,935
Rate p. ton p. mile.....	0.455 cts.	0.455 cts.	0.455 cts.	0.620 cts.
Earnings—				
Passengers.....	1,178,041	1,044,053	998,748	971,130
Freight.....	6,354,225	5,038,737	4,531,082	4,100,000
Mail, express, etc.....	191,532	194,714	169,636	160,171
Total.....	7,723,848	6,277,494	5,599,446	5,131,801
Expenses—				
Maint. of way & struct.....	661,035	611,567	685,616	480,410
Maint. of equipment.....	860,637	737,077	620,610	570,645
Cond. transportat'n.....	2,674,505	1,947,240	1,854,988	1,613,340
General expenses.....	216,861	169,499	169,572	144,113
Taxes.....	239,501	233,439	225,534	200,000
Total.....	4,552,089	3,699,732	3,471,294	3,008,507
P. c. expen. to earn.....	(58.33)	(58.94)	(61.34)	(58.61)
Net earnings.....	3,171,759	2,577,762	2,188,152	2,063,294
Other income.....	372,799	249,147	219,003	214,000
Total.....	3,544,558	2,826,909	2,407,215	2,200,118
Deduct—				
Interest on bonds.....	1,282,324	1,245,889	1,201,671	1,134,110
Interest on car trust notes.....	330,675	—	—	—
Rentals.....	157,523	132,138	137,875	116,840
6 p. c. on pref. stock.....	409,842	409,842	379,542	344,840
Div. on com. stock.....	(6) 433,068	(6) 431,868	(5) 370,879	(4) 370,879
Deprec'n of equip't.....	300,000	71,602	66,739	—
New construct., etc.....	289,971	535,870	250,452	129,350
Total.....	3,303,403	2,896,900	2,407,215	2,007,775
Balance, surplus.....	241,155	—	—	222,413

BALANCE SHEET JUNE 30.			
	1903.	1902.	1901.
Assets—			
Road and equip-ment.....	37,676,553	35,774,217	—
Bonds and stocks.....	1,000,000	1,000,000	—
Other investments.....	3,985,068	1,648,584	—
Advances for con'n.....	419,739	—	—
Sinking fund.....	640,630	1,045,000	—
Bills and accounts.....	490,945	801,115	—
Mat'ls & supplies.....	89,606	823,659	—
Cash assets.....	615,473	900,000	—
Cash.....	739,310	571,588	—
Total.....	45,197,877	41,913,088	—

—V. 77, p. 950, 509.

Toledo St. Louis & Western Railroad.

(Report for the year ending June 30, 1903.)

President Benjamin Norton says in substance:

GENERAL RESULTS.—The gross earnings in 1903 exceeded those for 1902 (not 1902-Ed) by \$1,170,979, or more than 60 per cent, and the net earnings were more by \$475,085 than for 1902, or 130 per cent, the number of miles operated remaining unchanged.

The showing in the traffic department has been highly satisfactory. Although the rate per ton per mile was 5.14 mills, a decrease of 10 mills compared with the year 1902, the gross earnings per mile were \$6,905, an increase of \$1,044 over the previous year and \$7 per cent over the year 1900. East-bound tonnage increased 251,503 tons, or 27 per cent, and west-bound tonnage increased 144,859 tons, or 30 per cent, while the product of manufactures increased 163,769 tons and gross earnings from the transportation of grain were increased by \$235,000.

The train-load for the year has averaged 255.70 tons, as compared with 285.97 tons in 1902. Our mileage shows a decrease in our cost of \$24,977, due largely to the per-diem system of accounting for use of cars, which went into effect on July 1, 1902.

The floods in the Mississippi River, which began early in June, proved to be disastrous, much of our tracks in East St. Louis were

estimated, resulting in a loss of traffic of not less than \$40,000. But for this the gross earnings for the fiscal year would have exceeded \$7,000 per mile.

We enjoyed during 1902-03 unusual crops along the line. The prospects for the coming year are generally good, although the crop situation does not indicate even an ordinary yield.

REPAIRS, ETC.—During the year 1902 was expended per mile and charged to operation on account of maintenance of way and structure \$1,010 per mile on account of maintenance of equipment. This was an increase, respectively, over the previous year of \$175 and being in addition to this \$204,049 was expended on improvements.

In addition to this \$204,049 was expended on improvements and additions to roadway and structures, so that the physical condition of the property has been improved.

Continuing the policy of setting aside renewal funds, we have added to this account the past year the sum of \$88,955, making a total since Jan. 1, 1890, of \$1,111,111, which has all been charged to operation.

Of this sum, \$186,502 has been expended for new equipment and materials, leaving a balance unexpended on June 30th of \$924,209.

The following materials have been used in maintaining and improving the track: 27 miles of new 70-pound steel rails; 176,389 cross-ties for main track and 27,770 ties for sidings; 604,060 feet (board measure) of switch timber for switches and sidings; 26'38 miles of ballast.

PURCHASES.—During the year the joint purchase with the Grand Trunk Western Railway Co. of the Detroit & Toledo Shore Line R.R. has been consummated, and in a few weeks it is expected that this property will be in full operation, giving us a direct entrance into Detroit, practically increasing our mileage by 60 miles, giving us an important outlet to the East and completing a close alliance with the Grand Trunk Railway, which should add not only to our revenue very materially, but place us in a strong position strategically.

Earnings, Etc.—The statement of operations, earnings, etc., and the balance sheet of June 30 follow:

OPERATIONS, EARNINGS, EXPENSES AND CHARGES.				
	1902-03.	1901-02.	1900-01.	1899-00.
Operations—				
Passenger carried.....	799,793	855,192	828,032	884,626
Freight carried.....	27,356,029	24,864,614	23,373,063	22,078,107
Express, etc. carried.....	1,919 cts.	1,919 cts.	1,833 cts.	1,760 cts.
Mail, express, etc. carried.....	73,38 cts.	71,94 cts.	66 cts.	64 cts.
Pass. car. p. mile.....	2,061,584	1,665,423	1,600,668	1,333,566
Freight car. p. mile.....	461,419,733	357,385,668	349,044,272	242,586,747
Express, etc. p. mile.....	0.014 cts.	0.013 cts.	0.012 cts.	0.011 cts.
Mail, express, etc. p. mile.....	0.183	0.158	0.136	0.153
AT, W&P, train mile.....	295.7	285.6	260.8	260.8
Gross earnings, p. mile.....	\$6,903	\$5,859	\$5,528	\$4,308
Earnings—				
Freight.....	2,376,544	1,978,187	1,893,222	1,419,409
Passenger.....	851,453	497,124	445,791	403,348
Mail, exp. & miscell.....	153,362	165,569	151,552	117,822
Total earnings.....	\$1,111,359	\$2,640,880	\$2,490,568	\$1,940,379
Expenses—				
Maintenance of way and structures.....	442,795	363,890	361,933	407,267
Maint. of equip'm't.....	455,169	341,455	370,488	315,832
Cost, transportation.....	1,352,750	1,110,161	1,040,000	783,343
General expenses.....	106,262	99,837	77,500	58,645
Total expenses.....	\$2,356,976	\$1,915,483	\$1,799,952	\$1,561,081
Earnings less expenses.....	\$854,383	\$725,447	\$690,614	\$379,297
Other income.....	9,256	9,643	6,341	.....
Total income.....	\$863,639	\$735,090	\$696,955	\$379,297
Debits—				
Taxes.....	117,000	104,400	104,400	.....
Int. on bonds.....	575,000	575,000	510,000	.....
Total debits.....	\$692,000	\$679,400	\$614,400	.....
Surplus.....	\$171,639	\$58,690	\$82,555	.....

GENERAL BALANCE SHEET JUNE 30.				
	1903.	1902.	1901.	1900.
Assets—				
Cost of road.....	\$5,720,907	\$5,614,962	.....	.....
Real estate.....	54,474	55,134	.....	.....
Materials and supplies.....	178,769	121,067	.....	.....
Stocks, bonds and.....	.....	.....	.....	.....
Loans.....	315,000	.....	.....	.....
Cost—Tolledo.....	84,808	88,808	.....	.....
Cost—New York.....	137,645	209,490	.....	.....
AT&W's equipment.....	180,961	184,310	.....	.....
AT&W's equipment.....	50,488	58,787	.....	.....
AT&W's equipment.....	16,510	16,489	.....	.....
AT&W's equipment.....	7,337	4,915	.....	.....
Total assets.....	\$6,770,018	\$6,198,338	.....	.....
Liabilities—				
Stock, common.....	10,000,000	10,000,000	.....	.....
Stock, preferred.....	10,000,000	10,000,000	.....	.....
Bonds.....	15,750,000	15,500,000	.....	.....
Renewal funds.....	22,505	6,895	.....	.....
Taxes accrued.....	27,534	65,775	.....	.....
Interest accrued.....	80,000	85,000	.....	.....
Vouchers payable.....	331,063	215,498	.....	.....
Pay rolls.....	100,556	99,254	.....	.....
Agents' drafts.....	39,717	31,079	.....	.....
Loans and individuals.....	161,974	85,995	.....	.....
Surplus.....	306,887	138,247	.....	.....
Total liabilities.....	\$6,770,018	\$6,198,338	.....	.....

Detroit & Mackinac Railway.
(Report for the year ending June 30, 1903.)

President and General Manager J. D. Hawks says in substance:

GENERAL RESULTS.—The past year has been a prosperous one for Detroit. Following somewhat the lines of electric railway practice and giving frequent cheap excursions and better train service has increased our passenger earnings from \$73,123 in 1896 to \$244,770 for the past year. This is largely due to fostering the "riding habit."

FINANCIAL WRITTEN OFF.—The accumulated profits of \$730,816 having been expended in construction of new road and purchase of new equipment, it was decided as a conservative measure to write it off.

Under the new tax law of Michigan our taxes were raised from \$22,572 to \$67,898 per year. The new figures were given out in the calendar year 1902 and applied to that year; as our fiscal year for 1901 and 1902 was closed, it became necessary to charge out a year and a half of the increased taxes in this year.

REPAIRS, ETC.—The policy of using nothing but cedar ties charged directly to repairs of roadway. The ties plates are needed to replace all the hemlock ties in main track with cedar, and for ten or fifteen years the tie account will be small. No rail was purchased during the year.

OVERLOOK.—It is believed our towns have ceased to "go back" and the introduction of other industries in place of the pine lumber business. Our soil and climate, in addition to being especially adapted to the raising of fruit, potatoes, sugar beets and grain, have shown a demand for raising peas of a superior quality that are in great demand here and abroad. Several seed and grain warehouses have been built along the line this year. The Heel Cement & Co. is now making cement at West Bay City. East Tawas has a new beet sugar factory. Alpena will soon have in operation the plant of the Michigan Alkali Co.

EXTENSION.—Ten miles of the extension to Cheboygan was completed during the year, and although men and teams are scarce, it is hoped to have trains running into Cheboygan by Jan. 1.

Earnings.—The earnings, etc., have been as follows:

EARNINGS, EXPENSES AND CHARGES.				
	1902-03.	1901-02.	1900-01.	1899-00.
Miles operated.....	337	330	332	325
Operations—				
Pass. carried (No.).....	271,306	250,101	245,615	213,021
Pass. carried 1 mile.....	2,713,072	2,777,980	2,880,682	2,669,432
Rate p. pass. p. mile.....	2,173 cts.	2,147 cts.	2,137 cts.	2,525 cts.
Freight (tons) car'd.....	886,316	842,092	917,132	839,765
Fr't's (tons) car. 1 m.....	70,049,694	59,547,341	56,347,674	52,409,110
Rate p. ton p. mile.....	0.974 cts.	1.207 cts.	1.143 cts.	1.163 cts.
Earnings—				
Freight.....	682,270	639,164	644,465	609,463
Passenger.....	215,236	192,373	193,171	196,451
Mail, express, etc.....	56,202	30,656	28,111	27,705
Total.....	953,708	862,192	865,747	833,619
Expenses—				
Maint'ce of way, &c.....	157,693	206,531	243,157	238,181
Maint. of equip'm't.....	86,091	85,585	73,676	69,512
Conduct'g transp'n.....	305,879	284,542	252,877	227,432
General.....	26,986	23,664	20,715	19,737
Total.....	576,649	580,292	590,385	554,852
Net earnings.....	377,059	281,900	275,362	278,767
Deduct—				
Int. on funded debt.....	92,000	109,500	122,000	122,000
Taxes.....	90,494	23,573	24,775	25,308
Miscellaneous.....	Or. 332	30,104	14,144	.....
Div. on pref. stock.....	23,750	.....	.....	.....
Total.....	206,312	163,177	160,919	147,308
Balance, surplus.....	171,747	118,723	114,443	131,464

CONDENSED BALANCE SHEET JUNE 30.				
	1903.	1902.	1903.	1902.
Assets—			Liabilities—	
Road.....	4,830,269	4,233,024	Common stock.....	2,000,000
Equipment.....	617,361	760,994	Preferred stock.....	900,000
Construction acc'ts.....	208,157	208,157	Funded debt.....	2,500,000
Tr. Det. & M. Ry. b'd's.....	500,000	450,000	Notes payable.....	110,000
Mat'l and supplies.....	65,800	58,490	Interest.....	54,006
Cash.....	37,572	13,468	Audited vouch., etc.....	84,347
Current accounts.....	28,000	28,000	Taxes and miscel.....	77,904
Misc. & real estate.....	444	15,714	Profit and loss account.....	508,471
Total.....	5,945,618	5,507,997	Total.....	5,945,618

—V. 76, p. 1242.

Underground Electric Railways of London, Limited.

(Report for the period ending June 30, 1903.)

Chairman Charles T. Yerkes says in substance:

CONSTRUCTION.—On April 29th last, the Chairman issued a statement reporting the progress of the work to that date. Since then the work has progressed rapidly and to the satisfaction of the directors. (Compare V. 76, p. 1031.)

Every effort has been made to push the work on the Chelsea power house, which will provide the power for the operation of the Metropolitan District Railway, the Great Northern Piccadilly & Brompton Railway, the Baker Street & Waterloo Railway, and the Charing Cross, Euston & Hampstead Railway, and there is every reason to expect that it will be in working order by Jan. 1, 1905.

The conversion of the Metropolitan District Railway to an electric line is rapidly progressing. A large amount of ducts for feeder wires has been laid, manholes have been built, and a great deal of general work finished. The Ealing and South Harrow extension has been electrically equipped and a temporary generating station erected. The test trains have been a success, and the material used on this line has fully realized anticipations. It is confidently believed that by the time the Chelsea power house is finished, the whole of the District Railway will be ready for electrical operation.

The Baker Street & Waterloo Railway is completed between Baker Street and Waterloo station with the exception of a short space of tunnel under Portland Place, and that is expected to be finished at the end of this month. Contracts will be let shortly for the surface stations, the plans for which have already been prepared. This line will be ready for working about the same time that the Metropolitan District Railway will commence operations.

On the Great Northern Piccadilly & Brompton Railway good progress has been made. Fourteen of the station sites have been acquired, and the shafts at many of them are finished. The running tunnel is also progressing satisfactorily. The connection with the Metropolitan District Railway at Earl's Court Station has been arranged and the work commenced.

Ten of the station sites on the Charing Cross Euston & Hampstead Railway have been acquired, and work thereat is being actively prosecuted. The running tunnels are being driven rapidly.

As the shareholders are aware, we acquired a controlling interest in the London United Tramways (1901) Company about a year ago. Since then the extension to Hampton Court has been opened, with very satisfactory results. The public have largely availed themselves of this extension, and although the season has been wet and unfavorable, the receipts have fully realized expectations.

FINANCIAL.—In June last, for the purpose of providing additional funds for constructing the various railway works for which the Company is under contract, an issue of £7,000,000 five per cent profit-sharing secured notes was made, which was fully subscribed. Under the terms of the trust deed dated May 29th, 1903, these notes are specially secured by stocks and shares deposited with the London and Westminster Bank, Limited, who act as trustee for the profit-sharing secured note holders. (V. 76, p. 1031.)

The company has given certain guarantees in connection with the issue of the Great Northern Piccadilly & Brompton Railway shares and on a portion of the Metropolitan District Railway preference stock. The charges arising from these guarantees for the period ending June 30th last amount to \$11,000. These charges are included under the item of "sundry debtors" in the balance sheet. (Compare V. 76, p. 1409, 1250.)

The company's balance sheet of June 30, 1903, is as follows:

BALANCE SHEET JUNE 30, 1903.	
Assets.	
Freehold land and buildings at Chelsea, including expenditures to date on generating station and transmission line.....	\$384,763
Stocks and shares (at cost) pledged for Profit-sharing Secured notes (see contra).....	3,334,321
Parliamentary deposits (£238,728 7s. 2d. consols) at cost.....	269,593
Cost of railway construction after crediting income from investments.....	2,250,842
Discount on issue of 5 p. c. Profit-sharing Secured notes (issued at 98).....	379,997
Sundry debtors, debit balances, loans and deposits.....	80,706
Cash, Profit-sharing Secured notes trustee account.....	411,000
Cash at short call and on hand.....	508,450
Total assets.....	\$6,519,672

Liabilities.

Share capital issued.....	\$2,500,000
5 p. c. Profit-Sharing Secured notes.....	73,090,901
Received on construction contract.....	450,362
Parliamentary deposits (see contra).....	209,593
Sundry creditors, credit balances and retentions.....	268,87
Total Liabilities.....	\$6,519,672

x 500,000 ordinary shares of \$10 each, \$5 paid.
Total, \$6,997,932; less instalments not yet due, \$3,884,632, and interest allowed on instalments paid in advance (proportion after June 30th), \$24,399; balance, \$3,090,900.
n Stocks and shares have been received on account of this expenditure in accordance with construction contracts.—V. 76, p. 1409.

American Sewer Pipe Company.

(Balance Sheet of Sept. 30, 1903.)

The balance sheet of Sept. 30, 1903, follows:

Assets—	\$	Liabilities—	\$
Properties.....	9,251,143	Capital stock issued.....	7,805,700
Accounts and bills receivable.....	538,228	First mort. & p. & sink- ing fund bonds.....	1,587,000
Cash.....	144,064	Bills payable.....	75,100
Material and supplies on hand.....	681,373	Accounts payable.....	92,554
		Int. and taxes accrued.....	22,437
		Surplus.....	1,027,113
Total assets.....	10,609,808	Total Liabilities.....	10,609,808

x Total issued, \$2,500,000; less redeemed and canceled, \$405,500; less treasury bonds, \$507,500; balance, \$1,587,000.

NOTE.—Cost of properties is given, including improvements to date and after deducting depreciation for 1903. "Accounts and bills receivable" are stated after deducting amount reserved for discount and allowances. The surplus (\$1,027,113) is after deducting interest on bonds and depreciation for 1903. Total stock authorized, \$8,000,000.

The Audit Company of New York certifies that the balance sheet is correct according to the books and accounts.—V. 76, p. 920.

Consolidated Lake Superior Company.

(Special Report of President, Oct. 19, 1903.)

In connection with the reorganization plan published last week (page 1296), President Suleids has made the following statement bringing down to date his report of May 5 (V. 77, p. 193), regarding the condition of the properties and their probable earnings for the year 1903-04:

CONSTRUCTION PRACTICALLY COMPLETED.—Since last April, when I took charge of the company's undertakings, all construction work then in progress has been practically completed. The two blast furnaces, with all their accessories, have been finished; the new copper-nickel smelter and beam-rolling plant at the Soo has been nearly completed, and all could be started on short notice. The repairs to the power canal on the American side have been finished, the water has been turned in, and power is now available for tenants. The Union Carbide Co., whose contract calls for 20,000 horse-power, has nearly completed its plant, representing an investment of nearly \$1,000,000, and is now about ready to take the first instalment of 5,000 horse-power on its contract.

This covers all of the construction work contemplated except the Algoma Central & Hudson Bay Railway, the last 100 miles of which have been graded, the ties distributed and some of the bridging done. This work has been suspended during this summer, pending the settlement of the company's financial difficulties.

EARNINGS.—The foregoing undertakings, representing nearly one-half of the company's entire investment, have been, of course, unproductive of any revenue; but with the exception of the unfinished portion of the railroad, they are now practically ready for profitable operation. (Compare V. 76, p. 656; V. 77, p. 771.)

When all operations were suspended at the middle of September, because of lack of funds, the company was carrying on no losing operation. Every department except those mentioned above was operating at a satisfactory profit. The ground-wood pulp mill was earning a handsome profit, and its output was sold far ahead. The sulphite pulp mill for the first time was showing a substantial balance on the right side. The Heben iron ore mine had shipped to outside parties nearly 500,000 tons of ore at a good profit, and had on hand contracts with them sufficient to dispose of the balance of this season's output. The sawmill at the Soo was running to its capacity, with the entire output for the season sold at a price which yielded a very satisfactory margin. The veneer mill, which was only started last spring, was more than paying its way, and steadily increasing its output and profits. The railroads and steamships were doing well, and contributing their full share to the aggregate profits of the different operations. The street railways and ferry were earning considerably more than the interest on their bonds. The Tagona Water & Light Co. was operating profitably, as usual.

ESTIMATE.—The estimates of earnings which I made in May last were being abundantly fulfilled, except, of course, with regard to the steel rail mill, which it was expected would be started in July, but which has remained idle because of lack of funds. I have seen no reason to modify the estimate which I made in May of about \$950,000 net earnings for the present fiscal year. (V. 77, p. 193.) I consider that this was a safe minimum estimate, and have no reason to doubt that it would have been more than realized but for the unfortunate delays in effecting a reorganization and providing the necessary working capital. I realize, of course, that this estimate of less than \$1,000,000 of net earnings was disappointing to those who had based their hopes upon expectations of much larger returns; but it should be borne in mind that this estimate was made upon a most conservative basis, and that it excluded entirely some operations which may properly be expected to yield large returns, but which could not be calculated with any degree of certainty when the estimate was prepared. At that time large allowances were made for the delays and interruptions which are always incident to the early operation of any large industrial undertaking.

I am sure that the stockholders would be justified in expecting earnings of several times the amount of my estimate when all plants could be brought into full and continuous operation, and when the possibilities of several undertakings at present uncertain could be determined by experience.

WORKING CAPITAL.—In addition to the \$1,000,000 working capital provided by the reorganization plan, there is on hand not less than \$1,000,000 of materials and supplies representing present working capital.

OUTLOOK.—Business conditions in Canada as a whole, and particularly those influences that have direct bearing upon the interests of this company, never were so favorable as at the present time, and every consideration justifies a supreme effort on the part of the stockholders to save the property in which they have made so large an investment.—V. 77, p. 1296, 1297.

GENERAL INVESTMENT NEWS.

RAILROADS, INCLUDING STREET RAIL.

Ashland Coal & Iron RR.—New Officers.—A complete change in the management took place on Oct. 31, but in the interest of what other railroad company, if any, does not appear. The new officers are:

Directors: K. L. Butler, Joseph Butler and John Winslow, of Chas. nat; Colonel Robert Peebles, Colonel Frank Coles, W. B. Keenan and D. Gay Putnam, of Ashland. President, Colonel Robert Putnam; First Vice-President, Colonel Frank Coles; Second Vice-President, L. Butler; Secretary and Treasurer, Frank B. Moore; Auditors, A. L. Richardson.—V. 76, p. 732.

Baltimore & Ohio RR.—Locomotives.—The company's motive power has been increased since Jan. 1st, 1903, by the purchase and delivery of 300 locomotives, viz: 140 freight locomotives, weighing 193,000 pounds each; 30 high-speed Atlantic Type passenger engines, weighing 177,000 pounds, and 30 modern switch engines. In addition the company has placed in service two 160 ton electric motors, hauling heavy freight trains through the Baltimore tunnel, the three 96-ton motors handling the passenger trains. The system now has 1,805 locomotives of all classes and 85,000 freight cars, of which 26,000 are steel cars of 100,000 pounds capacity.—V. 77, p. 950, 949.

Buffalo & Susquehanna Ry.—First Coupon.—Coupon No. 1, due Nov. 1, 1903, from the first mortgage 4½ p. c. gold bonds, will be paid at maturity at the office of Fisk & Robinson, No. 85 Cedar St., New York.—V. 77, p. 763, 87.

Central Pacific Ry.—Listed.—The New York Stock Exchange has listed \$3,787,000 additional first refunding mortgage 4 per cent guaranteed bonds of 1903, making the total listed to date \$62,754,000. Of the additional bonds above referred to, \$3,000,000 were surrendered by the United States Government against payment of the notes due Aug. 1, 1903, and Feb. 1, 1903, against which they were held as security, and have been sold by the company. The remaining \$787,000 bonds have been issued in exchange for old outstanding bonds or deposited in satisfaction of the mortgage of the remaining outstanding bonds of the Central Pacific RR. Co.

The \$62,826,000 bonds listed on the New York Stock Exchange (\$72,000 since canceled under sinking fund requirements) were issued as follows:

For old Central Pacific RR. Co. bonds exchanged under readjustment plan.....	\$50,543,500
For old Central Pacific RR. Co. bonds outstanding, but which have been satisfied of mortgage.....	677,500
For purpose of readjustment.....	1,000,500
Sold.....	12,500
For discharge of 3 per cent notes to U. S. of America.....	9,505,000

Earnings.—For the six months ending June 30, 1903, earnings were: Gross earnings, \$9,633,944; net, \$3,538,769; other income, \$604,808; fixed charges, \$3,974,394; balance, surplus, \$1,168,178. For statement for fiscal year ending June 30 see page 1580.—V. 76, p. 809.

Chesapeake & Ohio Ry.—Listed.—The New York Stock Exchange has listed \$1,000,000 additional general mortgage 4½ per cent bonds of 1903, making the total amount listed to date \$36,073,000. The proceeds of the \$1,000,000 of bonds will reimburse the company for outlays made and to be made in the construction and acquisition of additional property.—V. 77, p. 1294, 768.

Chicago Cincinnati & Louisville RR.—Bonds Offered.—George A. Fernald & Co., Boston, are offering at par \$340,000 5 per cent equipment gold bonds, part of an issue of \$800,000, secured by a first mortgage upon equipment costing \$331,175, consisting of 10 Baldwin consolidation engines, 3 Baldwin 10-wheel engines, 300 36 ft. box cars, 1 steam shovel, 1 Lidgetwood unloading machine, 1 right hand ballast unloader, 1 left hand ballast unloader, 1 double-cut ballast spreader.—V. 77, p. 349.

Chicago Railways Co.—Incorporated.—This company, whose articles of incorporation were filed at Springfield, Ill., on Oct. 29, is being organized by Alfred Skitt, General Manager of the Manhattan Railway Co.; H. B. Hollins & Co., and other prominent interests in the Chicago Union Traction Co., with a view to reaching a settlement with the city touching the franchises of the Traction system and otherwise furthering its interests. The capital stock, now nominal (\$1,000,000), will probably be increased later to \$5,000,000, to provide new capital. The plan is as officially described follows:

To take over all rights of the Union Traction receivers and of the underlying companies; to ask the city to grant a lease or franchise on streets in the territory now occupied by the Union Traction Company to agree that the lease should contain a provision to the effect that the city should terminate the contractual relations and assume municipal control upon payment to the leasing company of all money actually invested.

Chicago Rock Island & Gulf Ry.—Merger of Stock Island Subsidiaries.—There have been conveyed to this company for the consideration named below the properties of other subsidiaries of the Rock Island system as follows:

Choctaw Oklahoma & Texas, consideration \$1,200,000.
Chicago Rock Island & Mexico, consideration \$1,000,000.
Chicago Rock Island & Texas (V. 74, p. 1199), consideration \$3,500,000.—V. 76, p. 751.

Chicago Rock Island & Pacific Ry.—See Chicago Rock Island & Gulf Ry. above.—V. 77, p. 1235, 950.

Chicago Union Traction Co.—See Chicago Railways above.—V. 77, p. 400, 349.

Cincinnati Bluffton & Chicago RR.—Assignment.—This company, which on July 23, 1903, began the construction of

a line from Huntington to Union City, Ind., via Bluffton, made an assignment on Oct. 28 to the Cambria Steel Co. to cover the cost of rails. The assignment covers subdills voted in Wayne and Penn townships. Directors were S. H. Bracy, A. B. Nettleton, W. A. Howard, Charles Blackburn, John Traise, W. B. Blackburn and C. D. Waterbury, Chicago. The company has graded 13 miles, laid rails on 3 miles, and has a considerable amount of material on hand. The subdills, it is said, aggregated nearly \$150,000.

Cincinnati (O.) Rapid Transit Ry.—New Enterprise.—This company filed articles of incorporation in Ohio on Oct. 7 with nominal (\$10,000) capital stock, which, it is stated, will shortly be increased to \$2,000,000. The plan is to establish a rapid transit system, partly elevated and partly depressed, connecting Cincinnati at 4th and Walnut streets with Norwood and other suburbs, and possibly eventually extending to Hamilton and Dayton. The incorporators include J. G. Schmidlapp, President of the Union Savings Bank & Trust Co. of Cincinnati; M. E. Ingalls, President of the Cleveland Cincin. Chicago & St. Louis Ry., and others.

Cleveland Cincinnati Chicago & St. Louis Ry.—Author.—At the annual meeting on Oct. 28 the shareholders authorized the guaranteeing of \$3,000,000 bonds of the Chicago Indianapolis & St. Louis Short Line, \$3,000,000 bonds of the Central Indiana Railway and \$300,000 bonds of the Springfield Union Depot. See V. 77, p. 769, 517.

Columbus Delaware & Marion Electric RR.—New Stock.—The authorized issue of capital stock has been increased from \$1,500,000 to \$1,666,000.—V. 76, p. 918.

Danbury & Harlem Traction Co.—The July, 1903, coupons of the first mort gold bonds of 1931 (\$300,000 authorized) remains unpaid. In June last the New York State Railroad Commission approved a proposition to make a \$500,000 mortgage. The road is projected to extend from Danbury, Conn., southwesterly to Goldens Bridge, N. Y., 16 miles, of which 8 miles were about completed some time ago but never operated. D. E. Loewe, of Danbury, at last accounts was President.—V. 78, p. 956.

Decatur (Ill.) Traction & Electric Co.—Purchase—Proposed Consolidation.—President W. B. McKinley informs us that the street railway, gas, electric light and steam-heating properties of Decatur are all owned by his syndicate and will be consolidated with the Decatur Springfield & St. Louis Ry., which is now under construction.—V. 77, p. 88.

Denver & Southwestern Ry.—Reorganization Plan.—On pages 1543 and 1545 will be found the plan of reorganization presented by the following committee: Charles F. Ayer, Ames Building, Boston, Mass.; Arthur H. Day, Kimberly, Root & Day, New Haven, Conn.; R. E. F. Pines, Kessler & Co., 54 Wall St., New York; C. E. A. Goldman, Aemilius Jarvis & Co., Toronto, Canada; Montgomery Rollins, No. 5 Park St., Boston, Mass.

The necessity for the reorganization was brought about by the strike of the miners in Colorado, which followed a material reduction in earnings resulting from the building of a competing railway line from Colorado Springs to Cripple Creek, Colo. The money to meet the coupons on the general mortgage 6 p. c. bonds due Dec. 1, 1903, and June 1, 1903, was borrowed, and the total floating debt will on Dec. 1, 1903, including the sub-companies, exceed \$600,000.

The plan, which we learn has been well received, provides for the payment of the floating obligations and for the exchange of the general mortgage 5 p. c. bonds for 60 p. c. in new general mortgage bonds paying 3 p. c. interest for the first year and 4 p. c. per annum thereafter, and 50 p. c. in second mortgage cumulative 5 p. c. income bonds. It thus reduces the annual fixed charges from about \$378,000 (including sinking fund of \$108,000 to \$143,750 for the first year and \$172,750 thereafter, with \$25,000 additional for sinking fund after Dec. 1, 1908. It is thought that \$300,000 per annum is a conservative estimate for the net earnings.

Prompt action is necessary to prevent sale of the company's properties for taxes during November and default of interest and sinking fund payments on Midland Terminal Railway Co. bonds on Dec. 1 next. No cash contributions are asked from the bondholders. A majority of the bonds has been deposited. For further particulars see plan on another page.—V. 77, p. 451.

Detroit Mackinac & Marquette RR.—Offer to Purchase Bonds.—The trustees of the land grant mortgage, acting under the provisions of said mortgage, give notice of their intention to purchase \$500,000 of the bonds issued thereunder. Offers for the sale of such bonds are hereby requested to be made to the trustees on or before Nov. 10, 1903. The trustees are Frederick E. Driggs and William W. Houston, 23 Telephone Building, Detroit, Mich. See V. 77, p. 388, 393.

Detroit Southern RR.—Report.—The results for the year ending June 30 were:

Year	Gross	Net	Int. & taxes	Balance
1902-03	\$1,444,900	\$354,966	\$342,673	sur. \$12,293
1901-02	1,239,906	244,795	318,000	def. 73,205

—V. 77, p. 1235, 176.

Eastern Wisconsin Railway & Light Co., Fond du Lac Wis.—New Company.—This company, incorporated recently in Wisconsin with \$500,000 authorized capital stock, is successor of the Fond du Lac & Oshkosh Electric Railway Co. The directors are:

President, F. B. Hoskins; Vice-President and General Manager, T. F. Grover; Treasurer, W. E. Cole; Secretary, F. B. Huntington; Major R. B. Haven, Leander Choate and Elmer Leach of Oshkosh.

The new company has filed a mortgage to the Milwaukee Trust Co., as trustee, to secure \$1,500,000 5 per cent gold bonds. A press dispatch from Fond du Lac says: The bonds of the local company (\$350,000) are exchanged for bonds at par, and those of the Fond du Lac & Oshkosh Electric, and the interurban line, at 110.

Fond du Lac (Wis.) Street Railway & Light Co.—See Eastern Wisconsin Railway & Light Co. above.

Grand Rapids (Mich.) Railway.—New Bonds.—Application has been made to the New York Stock Exchange to list \$350,000 additional first mortgage 5 p. c. bonds of 1916.—V. 76, p. 155.

Grand Trunk Pacific Ry.—Bills Ratified.—Both the Grand Trunk Pacific incorporation bill and the Government bill for the national Transcontinental Road having passed the Dominion Parliament, received Royal Assent on Saturday last and are now effective (compare V. 77, p. 88, 146).

General Manager Hays, of the Grand Trunk Ry. Co., has made a statement, saying in part:

The reconnaissance survey is proceeding vigorously. We have between fifteen and twenty parties in the field, some of whom have about completed the work of their division; others will keep on all through the winter. Great care has been taken with a view of obtaining a line with a minimum grade, not exceeding $\frac{1}{10}$ of 1 p. c., or twenty feet to the mile, about the same as the maximum grade between Toronto and Montreal, and with no greater than two or three degree curves.

Across the territory from Winnipeg west construction will be pushed as soon as results of our surveys are known, so also will the construction of the branches from a port on Lake Superior (which port is yet to be determined) to a junction with the eastern division, and a line from North Bay north, also to intersect the eastern division.

It is not likely that the road will be completed short of five years.—V. 77, p. 250, 146.

Great Northern Ry.—Vice-Presidency.—Louis Hill has been elected Vice-President to succeed J. N. Hill, who resigned because of ill health.—V. 77, p. 974, 946.

Houston & Texas Central RR.—Called Bonds.—First mortgage bonds aggregating \$350,000 and consolidated mortgage bonds aggregating \$200,000 have been drawn by lot, and will be redeemed at 110 and interest Dec. 31. See advertisement on another page of to-day's CHRONICLE.—V. 77, p. 823.

Indiana Illinois & Iowa RR.—Report.—The results for the year ending June 30 were:

Year	Gross	Net	Charges	Dividends	Bal., sur.
1902-03	\$1,747,803	\$482,134	\$214,000	(4) \$200,000	\$88,134
1901-02	1,700,818	475,400	207,785	(4) 200,000	87,615

—V. 75, p. 1198.

Lake Street Elevated RR., Chicago.—Receiver.—Judge Tuthill in the Cook County Circuit Court at Chicago on Oct. 24 appointed the Equitable Trust Co. of that city as receiver of this property on application of James Bolton and Daniel F. Crilly, stockholders, who alleged that the company is hopelessly insolvent. A majority of the directors, it is stated, assented to the appointment. The trust company named C. D. Organ as its representative, and he at once assumed the charge of the road. President Knight says:

In my opinion there was not sufficient ground shown for the appointment of a receiver. We certainly shall resist this proceeding. The allegations about Charles T. Yerkes's domination of the company are ridiculous. In 1901 Mr. Yerkes practically severed his connection with the Lake Street company and a year ago he sold his few remaining shares. He has not a dollar's worth of interest in the company.

It is understood that an amicable agreement has been reached between the opposing interests, and that a reorganization plan will shortly be announced.—V. 77, p. 824, 695.

Long Island RR.—New Mortgage—Sale of Guaranteed Bonds.—The company, it is announced, will make a new refunding mortgage, limited like the existing refunding mortgage to \$45,000,000, and securing 4 per cent gold bonds dated 1908 and due in 1949, without privilege of earlier redemption. Of the new bonds, \$10,000,000, bearing the guaranty as to principal and interest of the Pennsylvania RR. Co., have been sold to Kuhn, Loeb & Co. The proceeds will be used for various improvements and additions in connection with the Pennsylvania tunnels to and through New York City, principally for additional terminal facilities at Bay Ridge and Long Island City and for a double-track connection with the New Haven road. Of the remainder of the authorized issue, about \$35,000,000 will be reserved to retire all underlying bonds of the system (including the existing unified bonds in the hands of the public); the remainder will be held for future requirements. The issue of the old unified bonds will be limited by the terms of the new mortgage to the amount now outstanding.—V. 77, p. 824, 298.

Louisville & Nashville RR.—Called Bonds.—In last week's issue on page vii of our advertising columns will be found the numbers of \$55,000 Evansville Henderson & Nashville Division bonds which are called for payment at 110 and interest on Dec. 1.—V. 77, p. 960, 947.

Manhattan (Elevated) Ry., New York.—No Strike.—Of special announcement was made on Wednesday that an agreement had been reached by which the employees will submit to the new regulations regarding physical condition, it being provided that men who are below the normal shall be given a reasonable opportunity to fit themselves for the examination.—V. 77, p. 848, 147.

Missouri Pacific Ry.—President Gould's Statement.—President George J. Gould, in a telegram to the New Orleans Levee Convention, held in New Orleans on Oct. 27, expresses

the hope that the meeting will lead to the making of liberal appropriations for the levees, and then says:

The railroad interests I am connected with have under way and partially completed a low-grade line of road from East St. Louis to New Orleans, crossing the Mississippi River on the great bridge at Thebes, Ill. When this line is completed it will be a water grade line paralleling the Mississippi and opening up virgin forests upon its west bank, and in addition it will make accessible great areas of farming lands susceptible of a high degree of cultivation, if safe from inundation. We are also, at great expense, rebuilding the railroad between Little Rock, Ark., and Coffeeville, Mo., and are constructing a new low-grade line of railroad in the White River Valley to connect our Kansas City lines with the main line of the Iron Mountain Road.

All of this, with necessary expenditures for equipment and other railroad appurtenances, will amount to from \$40,000,000 to \$50,000,000, and the work has been under way two or three years, with the belief on our part that this great investment, the bulk of which will be in the Mississippi Valley, will be protected from damage by floods and inundations. The completion of our plans hereinabove outlined will insure greatly to the benefit of the city of New Orleans, and largely add to her maritime trade.—V. 77, p. 769.

Muncie Harford & Fort Wayne (Electric) Ry.—Bonds.—We are informed that on or about Jan. 1 the company will reduce the authorized limit of issue of its first mortgage bonds from \$1,000,000 to \$350,000.—V. 76, p. 978.

Norfolk & Western Ry.—New Bonds.—The New York Stock Exchange has been requested to list \$1,500,000 additional first consolidated mortgage 4 p. c. bonds of 1906, making total listed \$37,710,500.—V. 77, p. 824, 843.

North Shore R.R., California.—Assessment.—An assessment of \$5 per share on the capital stock is payable on or before Nov. 15. The interest of delinquent stockholders will be sold Dec. 7. F. B. Latham is Secretary, 636 Market St., San Francisco.—V. 77, p. 251.

Pacific Electric Ry., Los Angeles.—New Stock.—The shareholders have authorized the increase of the capital stock from \$10,000,000 to \$20,000,000, to provide for extensions.

Harriman Interest.—A press despatch from Los Angeles on Oct. 25 announces that President Harriman of the Southern Pacific has purchased at least one-third of the outstanding capital stock.—V. 76, p. 1408.

Pennsylvania R.R.—Bonds Sold.—Kuhn, Loeb & Co. have purchased \$20,000,000 bonds of subsidiary companies, viz.: \$10,000,000 of forty-six-year refunding mortgage 4 per cent bonds of the Long Island R.R. Co., guaranteed as to principal and interest by the Pennsylvania R.R. Co.; and a similar amount of forty-year first mortgage gold 4 p. c. bonds of the Philadelphia Baltimore & Washington R.R. Co. Kuhn, Loeb & Co. have the option to pay for the bonds at any time before March 1, 1904, the companies reserving the right, however, to call for the payment of \$8,000,000 after Jan. 1, 1904. It is understood that the purchase price of the P. B. & W. bonds is par and interest and for Long Island bonds 94 and interest. The subscriptions to a syndicate organized to take the bonds from Kuhn, Loeb & Co. were largely in excess of the amount required. For further facts see caption for each of the companies.—V. 77, p. 1294, 824.

Pere Marquette R.R.—Chairman.—George H. Norman of Newport, R. I., has been elected Chairman of the board of directors, and his brothers Guy and Maxwell have been added to the board.

New Chicago Line.—The company has completed its line from New Buffalo to Porter, Ind., 23 miles, and will begin on Dec. 1 operating into Chicago, using the tracks of the Lake Shore and the tracks and the terminal facilities of the Chicago Terminal Transfer Co. (See V. 77, p. 943.)—V. 77, p. 951, 770.

Philadelphia Baltimore & Washington R.R.—Sale of New Bonds.—This company, a subsidiary of the Pennsylvania R.R. Co., has arranged to make a mortgage on its now unencumbered Philadelphia-Baltimore Division to secure \$30,000,000 of first mortgage 40-year 4 per cent gold bonds, dated 1903 and due in 1943, without option of earlier redemption; \$10,000,000 of the issue has been sold to Kuhn, Loeb & Co., the proceeds to be used chiefly in connection with the improvements at Washington. Debenture bonds of the former Philadelphia Wilmington & Baltimore R.R. Co. to a total of \$4,930,000 will, as required by their terms, be secured by the new mortgage *pari passu* with the new 4 per cent; sufficient of the latter will be reserved for their retirement at maturity. This will leave \$5,070,000 of the proposed issue available for future requirements. The line from Philadelphia to Baltimore is laid with double track, and is with its appurtenances such an extremely valuable portion of the system that no guaranty was necessary to increase the value of the loan. See Pennsylvania R.R. above.—V. 76, p. 594.

Quebec Bridge Co.—Guaranteed Bonds.—This company has completed its sub-structure and desires to issue \$6,378,300 bonds, with the principal and the interest thereon to the extent of 8 p. c. per annum guaranteed by the Dominion Government. A bill to authorize this issue is pending at Toronto. The "Canadian Journal of Commerce" says:

The company has issued \$200,000 of its authorized capital stock of \$1,000,000, upon which the shareholders have paid a sum of \$55,585. The Province of Quebec has paid a subsidy of \$250,000 towards the bridge and the city a sum of \$300,000. The Dominion Government granted \$1,000,000, of which \$574,383 has been paid. The company has expended \$914,362 upon the work, and is indebted in the sum of \$779,550, including at par value bonds to the extent of \$474,000, upon which the sum of \$483,279 was realized. The amount necessary to complete the bridge and approaches and provide the terminal facilities and pay off the indebtedness of the company is estimated at \$5,866,822.

The company will abandon any claim it has upon the Dominion Government for any portion unpaid of the million-dollar subsidy, and will arrange with the present subscribers of the capital stock to sur-

render such stock, receiving instead paid-up stock for the amount held by them. The company will procure subscriptions for additional stock to the amount of \$200,000, the proceeds to be applied, in the first place, to payment of \$188,721 discount under which the \$472,000 bonds were issued. Afterwards the company will be at liberty to issue bonds to the amount of \$8,578,300, secured by mortgage upon its undertaking. Upon this bond issue the Government will guarantee 3 per cent interest. The Government will be free to fix the Dec. 1, 1906, or upon the completion of the undertaking. From must pay out of net income towards a sinking fund a sum equal to one-half of 1 per cent of the total indebtedness. The Government may take over the undertaking at any time upon payment to the shareholders of the amount of their stock at par value not exceeding \$255,085, with interest at 5 per cent.

The Dominion Government engineer estimated the cost of the under-structure at \$919,450, of the superstructure at \$2,800,000, a total of \$3,619,450.—V. 77, p. 37; V. 76, p. 944.

Rockford Beloit & Janesville Electric R.R.—Mortgage.—This company recently filed a new mortgage to the Illinois Trust & Savings Bank of Chicago, as trustee, to secure \$1,000,000 of 5 p. c. gold bonds, of which \$300,000 loanable only to retire an equal amount of underlying bonds. An additional \$50,000 of the new bonds will be sold forthwith to cover the cost of a machine shop and new equipment, and \$350,000 will be available for future requirements. The underlying mortgage has been canceled. For the eight months ending Aug. 31 the earnings were: Gross, \$39,884; net, \$45,166; interest, \$30,000; balance, surplus, \$25,186.—V. 76, p. 920.

South & Western Ry.—Status.—The syndicate which underwrote this enterprise and its ally, the Crane's Nest Co., is said to have invested to date about \$3,500,000. The organization of the Crane's Nest Co. (V. 75, p. 908) was completed only a month ago with \$3,500,000 capital stock, George L. Carter being the President. The Union Trust Co. of Baltimore was one of the underwriters. (See V. 77, p. 1206.)—V. 76, p. 486.

Terminal R.R. Association of St. Louis.—Bonds.—See "Connecticut" on page 1553.—V. 77, p. 512, 209.

Vera Cruz & Pacific R.R.—Status.—The Maryland Trust Co., which failed last week (V. 77, p. 1265), owns all the securities of this road, viz.: \$5,000,000 of first mortgage bonds, \$5,000,000 of preferred stock and \$5,000,000 of common stock. It was upon these securities that the trust company sought a loan of \$3,000,000 in London. The road extends from Cordoba, Mexico, to Salina Cruz on the Pacific Ocean, 203 miles, and from Vera Cruz on the Atlantic Ocean to Tierra Blanca on the main line, 69 miles; total, 263 miles. The subsidy received from the Mexican Government was about \$6,000,000 in Mexican or \$3,000,000 in American money. The road, however, cost about \$10,000,000, being much more than was expected. The trust company's investment is said to be nearly \$6,000,000.

The distance from ocean to ocean via the Vera Cruz & Pacific is 207 miles, and the plan is to use the line as part of a through route from North Atlantic ports to San Francisco and other Pacific ports. From New York to San Francisco the distance by this route would be 2,139 miles, as against 3,277 miles via Panama, a saving of 1,038 miles. An equal saving would also be made between New York and Manila, Yokohama and Hong Kong (via Honolulu), and a less amount to Sidney, Valparaiso, etc. Alfred B. Mason of New York is President.

Wrightsville & Tennille R.R.—No New Securities.—The announcement in a local paper that the shareholders would vote on Oct. 7 to increase the capital stock or to issue bonds is pronounced by Secretary Thomas to be untrue.—V. 77, p. 695.

INDUSTRIAL, GAS AND MISCELLANEOUS.

Alabama Consolidated Coal & Iron Co.—Postponed.—The directors have indefinitely postponed the plans for issue of 5 p. c. bonds and conversion of preferred stock. The common stock was increased to \$8,500,000, but only \$3,500,000 was issued. None of the preferred stock (7 p. c. cumulative) was exchanged, though four-fifths of the whole assented to the plan; par of shares \$100. Of the \$500,000 first mortgage gold 6s, \$490,000 are outstanding. They are dated May 1, 1901, but are subject to call on or after May 1, 1906, at 105; sinking fund, \$10,000 yearly; interest payable May 1 and Nov. 1; trustee, St. Louis Trust Co.—V. 77, p. 695.

Amalgamated Copper Co.—Offer to Arbitrate.—F. Augustus Heinze on Oct. 26 offered to arbitrate the whole mining controversy with the Amalgamated Copper Company, each side to appoint two men and these four to choose a fifth, the decision to be final and binding on both parties.

A board of mediation, acting at the request of the Great Falls Business Men's Association, to adjust the Amalgamated-Heinze difficulty, and so prepare the way for the reopening of the Amalgamated Company's mines, consists of James J. Hill, Gov. Toole of Montana and Senators Gilman and Clark.—See V. 77, p. 1295, 1297.

American Grass Twine Co.—Sale.—Arrangements, it is understood, are being perfected for the sale of the Walter A. Woods Harvester Co. for a sum stated as about \$900,000. The proceeds, it is said, will be used to pay the loan obtained from D. O. Mills and other shareholders. (V. 76, p. 1144.) The Harvester Company was expected to afford an outlet for the product of the American Grass Twine Co., but experience, it is stated, proves that grass twine is not suited for binder purposes.—V. 77, p. 1297.

American Maltng Co.—Another Circular.—A circular letter has been sent to the stockholders containing the names of seventy-two brewing concerns which favor the continuance of the present management; all are customers, and many are stockholders of the company.—V. 77, p. 1295, 1293.

American Sewer Pipe Co.—New President.—General Manager Frank N. Kondoff of Pittsburgh has been elected President to succeed Ulysses D. Eddy, resigned. See balance sheet on page 1533.—V. 76, p. 920.

American Shipbuilding Co.—New Director.—At the recent annual meeting Frank W. Hart was elected a director, to succeed W. T. C. Carpenter. See V. 77, p. 1294, 951.

American Smelting & Refining Co.—Dividend Gossip.—It is thought that at the next regular meeting of the directors on Dec. 8 a first dividend will be declared on the common stock at the rate of either 4 or 5 per cent. The last annual report was given in the CHRONICLE of Sept. 13, page 651, and the earnings for the current year, we learn officially, are in excess of those for the corresponding period of 1902.—V. 77, p. 650, 637.

American Telephone & Telegraph Co.—Output.—The output of instruments for the month and the nine months ended Sept. 30 was:

	Month.	9 Months.
	1903.	1902.
Gross output (number).....	79,405	70,011
Net output (number).....	45,968	31,677
Total outstanding Sept. 30	3,603,718	3,987,251

—V. 77, p. 951, 771.

American Type Founders' Co.—New Directors.—At the recent annual meeting E. R. Hoyt of St. Louis was elected a director to succeed the late G. Frederick Jordan. See V. 77, p. 1292, 825.

Bell Telephone Co. of Philadelphia.—Listed.—The company has listed on the Philadelphia Stock Exchange \$945,300 additional capital stock, making the total listed \$12,917,500.—V. 77, p. 771, 629.

Cambridge (Mass.) Electric Light Co.—New Stock.—The shareholders will vote Nov. 2 on increasing the capital stock from \$600,000 to \$700,000. Dividends of 6 p. c. per annum have been paid since 1890; no bonds.—V. 77, p. 91.

Chicago Motor Vehicle Co.—Receivership.—This company, the owner at Harvey, Ill., of a large plant for the manufacture of automobiles, was on Oct. 18 placed by Judge Kohlstedt of the Federal Court at Chicago in the hands of Edwin C. Potter (President of the American Trust & Savings Bank) as receiver on the application of creditors. The company is said to owe about \$300,000, of which \$150,000 secured by mortgage.

Citizens' Light & Power Co., Seattle.—See Seattle Gas & Electric Co. below.—The Citizens' company was incorporated in New Jersey in July, 1901. Capital stock outstanding \$1,000,000 in \$100 shares; no bonds at last accounts. President, Lyman C. Smith, Globe Building, Seattle.

Columbus & Hocking Coal & Iron Co.—Dividend on Common Stock.—The company has declared a dividend of \$1 per share (1 p. c.), payable in four quarterly instalments of 25 cents each beginning Nov. 14. Dividends on this issue were resumed last December, 1/4 p. c. being paid that month and the same amount last March and also in July.—V. 76, p. 1246.

Consumers' (Natural) Gas Trust Co., Indianapolis.—Status.—Much talk has been occasioned by the refusal of the company to send out its October bills and to renew its contract for the supply of natural gas. The property includes valuable gas and oil leases, covering, it is said, over 50,000 acres of land and 300 gas wells located from 20 to 50 miles from Indianapolis, also pipe lines to that city and an extensive system of mains (in all 375 miles of pipe line), supplying some 20,000 customers in Indianapolis with natural gas at 95 cents per thousand cubic feet. The company's capital stock is \$788,657, and the 25 shares have recently been quoted at from \$300 to \$400 each. The understanding is that a deal is on foot for the sale of the gas and oil leases and the use of the gas mains for artificial gas, probably by the Indianapolis Gas Co. The last-named company (V. 76, p. 1261) turned off its natural gas on June 8, 1903, and has since been supplying only artificial gas. Purchase of the Consumers' mains would remove its only competitor.

George J. Marott of Indianapolis, who is said to be the holder of \$50,000 stock, and who on Oct. 29 applied for the appointment of a receiver, was on Oct. 8 quoted as saying:

It is my intention to bring a proceeding in court to prevent a movement to manipulate the control of the Consumers' Gas Trust Co. by pooling interests of the majority stockholders who are pledging their stock to a newly-organized company known as the Eureka Investment Co., which was organized in the interest of John F. and Otto H. Pressel and their associates. It is clearly their purpose to discontinue the supply of natural gas and control the disposition of value, as second-hand material, of at least \$700,000, the system of pipes in the City of Indianapolis has a value to a competing gas company of at least \$1,000,000, and the oil properties produce an income of about \$100,000 annually. The acreage of oil leases is an asset of a large pipe line into the field, and is offering its leases and oil properties for sale, and negotiations are under way for the sale of the Indianapolis one of the systems.

Under the original trust agreement all the money originally invested in the stock, it is stated, has been paid back with 8 per cent interest except \$1 25 a share; under the articles of association, after payment of this remaining \$1 25 the company would be required to furnish gas at cost.

The Eureka Investment Co. filed articles of incorporation Sept. 1, 1903; capital stock, \$400,000, in shares of \$100 each. The incorporators were:

James Proctor, John H. Emrich, Ferd. A. Mueller, Leopold Strauss, Alfred Burdall, Charles H. Adam and Alexander C. Ayres.

Crucible Steel Co.—Directors.—At the annual meeting last week William G. Park was elected a director, succeeding Benjamin Apha. The board now includes:

William G. Park (Chairman), Alexander W. Black, James M. May, Herbert Du Fay, Robert E. Jennings and George E. Shaw.

Report for year 1902-03 was in V. 77, p. 1292, 1296.

Distillers' Securities Corporation.—New Officers.—Lawrence L. Gillespie has been elected to the new office of Chairman of the board of directors. B. W. Jones succeeds H. S. Gould as Secretary and Treasurer.—V. 77, p. 778, 767.

Du Pont De Nemours Powder Co.—Stock Issue.—The "San Francisco News Bureau" says:

The Metropolitan Powder Co. is the first company to receive the stock of the New Jersey company. The details of the transfer are about completed. Under the merger a new corporation will be formed with the name of the Metropolitan Powder Co. to replace the original company. Two of the old directors, probably O. F. Legee and Ludwig Schwabacher, and three representatives of the Du Ponts, are slated for the new board. A similar method will probably be employed in transferring the remaining powder companies.

The control of the Judson Company, however, was bought outright. The appraisal of all of the plants except the Giant Powder Company's is about completed, and some headway has been made on the books of the Giant. It is possible that this company, with others, will have to submit to having quite a sum written off for depreciation and profit and loss. It is hoped that the deal can be closed with nearly all of the companies about Nov. 1st. The agreement with the California Vigorito Co. specifies that date, the transfer to be made as of Sept. 1st. If all of the other companies assent the merger will be consummated even if the Giant Powder Co. should stay out.—V. 77 p. 453.

Eastern Steamship Co.—Earnings.—Notwithstanding the cold summer, the company reports earnings for the nine months ending Oct. 1 as follows: Gross, \$1,197,246; operating expenses, \$806,374; repairs charged to operating expenses, \$92,495; net earnings, \$398,477; fixed charges, \$38,376; surplus, \$364,901; being equal to about 7 p. c. on the \$3,000,000 capital stock. The new boats were in commission for only a small portion of the time.

First Dividend.—The directors have declared a first dividend, 8 p. c. (\$90,000), payable Nov. 2. A controlling interest in the stock is said to be held by

C. W. Morse of New York, Ransom B. Fuller, President of the Boston Insurance Co., Calvin Austin, Vice-President of the Eastern Steamship Co., and Eugene P. Carver, of Carver & Blodgett, its General Counsel.—V. 75, p. 668.

Equitable Illuminating Gas Light Co. of Philadelphia.

Output.—The statement of gas sold in the city of Philadelphia for the quarter and the nine months ending Sept. 30, as filed with the city authorities, compares as follows:

	1903.	1902.	1901.
Cubic feet gas—			
3 months.....	1,353,358,230	1,132,592,760	871,615,760
9 months.....	4,708,020,080	3,628,065,180	3,109,204,250
9 months' gross revenue.....	\$4,708,020	\$3,628,065	\$3,109,204
Of which city receives....	\$470,802	\$362,806	\$310,920

—V. 77, p. 253.

Fore River Ship & Engine Co., Quincy, Mass.—New President, Etc.—President Watson, the largest shareholder, announces that he will withdraw from the presidency in favor of Rear-Admiral Bowles, but will retain his "connection with and interest in the company as Chairman of the board of directors." The company is reported to be employing 2,600 men on work aggregating \$15,000,000, and including:

Three battleships and one cruiser for the United States Government—the New Jersey, Rhode Island, Vermont and Des Moines; the six-masted schooner, Wm. L. Douglas; a passenger and also a freight steamer for the Fall River line, and four car floats for the N. Y. N. H. & H. R. R.—V. 76, p. 1304.

Greene Consolidated Copper Co.—Directors.—At the annual meeting on Oct. 10 Bernard M. Baruch, L. C. Wier and H. S. Black were elected directors to succeed Geo. S. Robbins, A. Bleecker Banks and Henry T. Scott. The board now includes:

Chas. Adelt, Thos. H. Anderson, Bernard M. Baruch, Emil Berolzheimer, Henry F. Blount, Anson W. Burchard, H. E. Huntington, John W. Gates, W. O. Greene, Edwin Hawley, Henry Ollesheimer, Myron M. Parker, Frank H. Ray, Edward C. Rice, J. B. Showalter, Alfred Romer, L. C. Weir, H. S. Black, Mark L. Sperry, Edward B. Tustin and Jacob Weidman.

See annual report in V. 77, p. 1293, 826.

Indianapolis Gas Co.—See Consumers' Gas Trust Co. above.—V. 76, p. 1251.

International Fire Engine Co.—Reorganization.—The time for the deposit of securities under the reorganization plan has been extended to Nov. 14. Compare V. 77, p. 952, 1297.

International Paper Co.—Listed.—The New York Stock Exchange has listed \$50,000 additional first consolidated mortgage 6 p. c. bonds of 1918, making the total listed to date \$9,450,000, and has empowered the listing from time to time, but prior to June 1, 1904, of \$300,000 additional of said bonds, when issued in exchange for prior bonds, reducing the latter to \$150,000.

The \$9,450,000 bonds were issued as follows:

In payment of mills, wood-lands and other real estate	\$4,850,000
For cash.....	3,715,000
In treasury.....	134,000
For prior lien bonds.....	751,000

—V. 77, p. 1297, 450.

La Belle Iron Works.—Bonds, Etc.—The shareholders voted on Oct. 12 to authorize the issue of \$3,000,000 of 6 p. c. 10-20-year gold bonds, to provide working capital, and pre-

sumably also for payment of floating debt. The company has outstanding \$7,000,000 of full-paid capital stock and its plant is said to have cost considerably in excess of this amount. A 10 p. c. dividend in stock was reported last January in connection with the sale of new stock to shareholders. The shares have recently been quoted at 70@75, and the bonds are reported as being freely subscribed by leading stockholders on a basis to yield over 7 p. c. on the investment.

John E. Wright has resigned as President, but being the largest stockholder will continue as a director. The new President is John A. Topping, former First Vice-President of the American Sheet Steel Co.

A full description of the company's property was given Oct. 17 (page 1238). The Wheeling plant has an annual capacity of 600,000 kegs of cut nails and 40,000 gross tons of skelp, etc.; Steubenville plant, 146,000 gross tons basic pig, 300,000 tons of steel (from nine 50-gross ton basis open-hearth steel furnaces), 250,000 gross tons of rolled products and 100,000 gross tons of wrought iron and steel tubes. The officers, other than the President, are: A. J. Clarke and E. W. Mudge, Vice Presidents; W. E. Beswick, Secretary, and D. J. Sinclair, Treasurer. The plant, it is stated, is running full, and has orders for the balance of the year. Office, Wheeling, West Va.—V. 77, p. 1228.

Midvale Steel Co.—Armor Contract.—Secretary of the Navy Moody on Oct. 26 awarded contracts for furnishing 16,799 tons of armor for five battleships, the total sum involved being nearly \$7,000,000. The Midvale Company, although it has no armor plant, outbid the older establishments, and was awarded about 5,600 tons at \$393 for Harvey armor and \$397 for armor with face hardening, equal to the Krupp product. The remainder of the contract was divided between the Carnegie and the Bethlehem companies at \$400 for Harvey armor, plus \$11.20 a ton royalty, and \$417 for Krupp armor, plus \$33.07 a ton royalty. The Midvale Company will let contracts at once for an armor plant to cost between \$1,500,000 and \$3,000,000, and to be completed, it is expected, within 15 months.—V. 71, p. 866, 1813.

Morgantown Tin Plate Co.—Bonds.—At auction last week Adrian H. Muller & Son sold \$100,000 of the first mortgage 6 per 30-year gold bonds at 22½.

Uncle (Ind.) Pulp Co.—Mortgage.—This New York corporation, owning a pulp mill at Muncie, Ind., has made a new mortgage to the Farmers' Loan & Trust Co., as trustee, to secure \$700,000 bonds to cover the refunding of its existing gold 6s (a considerable part of this \$350,000 bond issue has already been drawn; what remains outstanding will be taken up from the first proceeds of the new issue in accordance with the provisions of the trust deed), the enlargement of its pulp mill (present capacity 100,000 lbs. per 24 hours) and the building of a paper mill. The capital stock is \$250,000, all common and full paid; par of shares \$100. We have been favored with the following:

The new bond issue consists of 25-year first mortgage 6 p. c. gold sinking fund bonds; interest payable semi-annually. The mortgage is subject to no prior liens whatever, and covers the present pulp mill, the real estate at Muncie and extensive timber lands in Tennessee and on the Mississippi River. On the completion of the paper mill the property will inventory about \$1,400,000. The capacity of the pulp mill is 100,000 lbs. per day and the capacity of the paper mill will be about 70,000 lbs. per day. The paper mill will take a very large part of the output of the pulp mill, effecting an organization which will work various economies, as the company will cut its own timber and carry it through the various processes to the finished-paper product. The bonds are dated June 1, 1903; interest payable June 1 and Dec. 1, and are due June 1, 1928, but are subject to call any time after three years at 105. The sinking fund consists of 10 p. c. of the company's gross annual profits for the purchase of the bonds on the market at not to exceed 105, or when the fund reaches \$12,000 no bonds being so obtainable to draw by lot a sufficient number of them to dispose of the sinking fund. The officers of the company are: President, Henry Blackman; Treasurer, Gustav L. Jaeger; Secretary, Edward A. MacLean.

The main office is at 183 Mulberry St., N. Y. City.

Panama Canal Co.—Treaty.—Ismael Enrique Arciniegas of the Colombian Diplomatic Service arrived last week in Washington with special dispatches for Dr. Tomas Herran, the Colombian Minister, concerning the Panama Canal treaty. Mr. Arciniegas is quoted as saying that his country wishes the United States to increase its offer from \$10,000,000 to \$35,000,000, as approximately that sum is needed to discharge Colombia's indebtedness; if the United States is not disposed to raise its bid, his people favor permitting the negotiations to lapse, since six years hence the franchise of the Panama Canal Co. will expire and revert to the Colombian Government.—V. 77, p. 826, 404.

People's Co-operative Ice Co., New York.—Receiver.—This company, incorporated in August, 1900, with \$150,000 of authorized capital stock, which in February, 1902, was increased to \$1,000,000, has applied to the Supreme Court for dissolution, owing to insolvency. Joseph D. Carroll was appointed receiver. Liabilities, \$190,000; assets stated at \$102,783. See further facts in "Journal of Commerce & Commercial Bulletin" of Oct. 23.—V. 74, p. 382.

People's Gas Light & Coke Co., Chicago.—Favorable Decision.—The Illinois Supreme Court, in an extended opinion written by Justice Wilkin, upheld on Oct. 27 the legality of the Chicago gas consolidation Act, passed by the General Assembly in 1897. Justice Wilkin says:

We are of the opinion that none of the objections urged to the constitutionality of the statute can be sustained. If a monopoly has been created or a gas trust formed by the consolidation of the defendant in error with other corporations named in this petition, it does not so appear in this proceeding. Whether the City Council of Chicago has

the power to regulate the price of gas to be charged by the company for gas furnished to it and its inhabitants or not, there is nothing in this case to show that extortion has been practiced or a monopoly created by it. The judgment of the Circuit Court will accordingly be affirmed.—V. 76, p. 1089.

Pressed Steel Car Co.—Earnings.—The earnings for the quarter and the 9 months ending Sept. 30 were:

3 mos end.	Prof. from	Interest	Div on	Reserve for	Ret. for
Sept. 30—	Operations	on bonds	of stock	depreciation	cont. stock
1902.....	\$628,964	\$47,100	\$218,750	\$70,000	\$975,714
1903.....	1,345,526	59,294	218,750	80,443	\$2,003,013
9 mos.					
1902.....	\$2,644,167	\$142,394	\$656,250	\$225,000	\$3,667,805
1903.....	3,804,788	179,338	656,250	210,783	\$4,851,159

—V. 77, p. 301, 208.

San Francisco Gas & Electric Co.—Property Taken Over.—Deeds have been filed at San Francisco transferring all the property, rights and interests of the Pacific Gas Improvement Co. and the Equitable Gas Light Co. to the San Francisco Gas & Electric Co.

Authorized.—The shareholders on Oct. 22 authorized the issue of \$10,000,000 of 4½ p. c. thirty-year bonds (see V. 77, p. 254, 98).—V. 77, p. 693, 455.

Seattle Gas & Electric Co.—Harmony Restored.—The gas war, which was begun early in the year by the Citizens' Light & Power Co., and which forced the price of gas from \$1 to 60 cents a thousand cubic feet was settled on Oct. 16. Hereafter gas will be sold at the uniform rate of \$1.10 a thousand feet, with a reduction of 15 cents to persons who settle their bills before the tenth day of the month. A rumor that negotiations were in progress for the consolidation of the two companies is denied. See Citizens' Light & Power Co. above, also V. 76, p. 1411.

Standard Oil Co.—Advance in Price of Oil.—While the country's total output of oil increased from 69,618,000 barrels in 1901 to 80,894,000 in 1902, the increase was due to the greater production of fuel oil in Texas and California. The aggregate output of oil, all grades, used for refining remained almost stationary, while the higher grades classed as "Pennsylvania" oil show a considerable decline, notwithstanding the stimulating effect on oil-well drilling of the advance in prices. The following figures, furnished by the "Oil, Paint & Drug Reporter" of this city, show the statistical position both of "Pennsylvania" and "Lima" (Ohio and Indiana) oils to Aug. 31, 1903:

Monthly Flow (avg.)—	1903.	1902.	1901.	1900.
"Pennsylvania" oil (bbls.)	3,591,398	2,612,371	2,745,509	2,987,311
"Lima" oil (bbls.)	1,692,689	1,665,364	1,646,664	1,519,136
Stock on Hand (bbls.)				
"Pennsylvania" oil Aug. 31.	5,407,611	6,898,807	11,708,916	13,441,171
"Lima" oil Aug. 31.	31,158,554	27,183,130	16,895,150	13,468,013

The stocks of Pennsylvania oil are said to be the smallest in ten years.

The reduction of supplies has been the occasion of a material advance in prices, as shown for export oil in bulk at New York, as follows:

Export oil—	Oct. 1, 1903.	Jan. 1, 1902.	Oct. 1, 1901.
Crude oil, per gallon.....	9-20 cts.	8-20 cts.	7-20 cts.
Refined oil, " ".....	13-00 cts.	11-75 cts.	9-75 cts.

The Standard Oil Co. buys some amount of its crude oil, but what proportion is not known.

Pipe Line.—The company's pipe line from Bakersfield to its refineries at Point Richmond, on San Francisco Bay, a distance of 280 miles, was put in successful operation several months ago.—V. 76, p. 870.

United States Steel Corporation.—Listing of Second Mortgage Bonds.—The New York Stock Exchange has listed \$133,295,500 of the \$350,000,000 ten-sixty-year 5 p. c. sinking fund bonds of 1903 and has empowered the listing from time to time, but prior to July 1, 1904, of additional amounts when issued in accordance with the terms of the indenture, the total to be listed not to exceed \$30,000,000. Of the amount of bonds authorized, \$50,000,000 was issuable only for cash and \$200,000,000 only in exchange for preferred stock. The statement to the Stock Exchange shows that there have been or are to be issued and listed:

NEW 5 P. C. BONDS LISTED AND TO BE LISTED.			
Issue against—	Now listed.	To be listed.	Total included.
Cash.....	\$2,884,500	\$17,115,500	\$20,000,000
Preferred stock.....	130,411,000	69,889,500	200,000,000
Total.....	\$133,295,500	\$86,704,500	\$320,000,000

It is generally assumed that the \$2,884,500 cash represents the money paid in by the members of the syndicate who withdrew on Oct. 1. If this assumption is correct, the withdrawal members represented \$14,423,500 of the \$100,000,000 of underwriting, 20 per cent of this being cash and the remainder preferred stock. There is still nothing to substantiate the common belief that the public availed itself of the privilege of exchanging about \$43,500,000 of preferred stock for bonds, or that the syndicate, to that extent relieved from the obligation to provide \$30,000,000 preferred stock, voluntarily exchanged such "excess" stock for bonds (compare V. 77, p. 717). Nor does it appear when the company will receive the net proceeds of the 25 p. c. cash contribution (say \$4,278,875, less commission) which the extending syndicate members were required to pay Oct. 1. (V. 77, p. 717.)

The company reports outstanding as of Oct. 23 in addition to the new bonds:

Common stock.....	\$500,302,500
Preferred stock.....	379,870,000
First mortgage col. trust 5s, including \$5,539,000 bal. alive in the sinking fund.....	303,317,000

—V. 77, p. 1307, 1229.

Investment News Concluded on Page 1546.

Reports and Documents.

ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY.

SEVENTH ANNUAL REPORT—FOR THE FISCAL YEAR ENDED JUNE 30, 1903.

The following report of the combined operations of the lines constituting the St. Louis & San Francisco Railroad System (excepting the Chicago & Eastern Illinois RR.) for the fiscal year ended June 30th, 1903, is respectfully submitted:

MILEAGE OPERATED.

	Main Track.	Second Track.	Side Tracks and Switches.
BY ST. LOUIS & SAN FRANCISCO RR. COMPANY—			
St. Louis & San Francisco RR. Main Line and Branches.....	2,294.45	5.26	393.09
Kansas City Ft. Scott & Memphis Ry. Main Line and Branches.....	854.70	23.90	325.94
St. Louis San Francisco & New Orleans Railroad.....	165.93	.....	16.00
Total.....	3,315.08	29.16	735.03
BY OTHER COMPANIES IN SYSTEM UNDER THEIR OWN ORGANIZATIONS—			
Kansas City Memphis & Birmingham RR. Main Line and Branches.....	285.66	.....	84.22
Ft. Worth & Rio Grande Ry.....	195.88	.....	24.59
Red River Texas & Southern Ry.....	87.34	.....	15.59
Paris & Great Northern RR.....	16.94	.....	11.91
St. Louis San Francisco & Texas Ry.....	15.84	.....	17.27
Blackwell End & Texas Ry.....	12.75	.....	1.86
Oklahoma City & Texas RR.....	8.68	.....	1.60
Birmingham Belt RR.....	.....	.....	15.81
Total at June 30th, 1903.....	3,938.17	29.16	907.87
1902.....	3,414.24	25.66	787.00
Increase.....	523.93	3.50	120.87

The main track mileage added during the fiscal year was as follows:

	Miles.	Miles
ST. LOUIS & SAN FRANCISCO RR.—		
Blackwell End & Southwestern Ry.—Choctaw & Southern Ry. Crossing, O. T., to South Bank of Red River, completed Feb. 8th, 1903.....	154.35	
Oklahoma City & Western RR.—Chickasha, I. T., to South Bank of Red River, completed March 29th, 1903.....	135.25	
Total.....	289.60	
Less mileage on Carbon Branch, Kan., taken up.....	2.75	286.85
ST. LOUIS SAN FRANCISCO & NEW ORLEANS RR.—		
Johnson, Ark., to Madill, I. T., completed April 19th, 1903.....	165.93	
FT. WORTH & RIO GRANDE RR.—		
Brownwood to Brady, Tex., completed March 29th, 1903.....	49.72	
BLACKWELL END & TEXAS RR.—		
South Bank of Red River to Vernon, Tex., completed Feb. 8th, 1903.....	12.75	
OKLAHOMA CITY & TEXAS RR.—		
South Bank of Red River to Quanah, Tex., completed March 29th, 1903.....	8.68	
Total.....	523.93	

The main track mileage owned at June 30th, 1903, by Companies composing the System was 3,810.14 miles, and the mileage operated under agreements with other Companies was 129.06 miles.

The Company also owns one-half interest in the Kansas Southwestern Railway, 59.35 miles, and in the Taylor City Belt Railway, 1.50 miles, but both of these properties are operated independently and not therefore included in above.

The average main-track mileage operated during the year ended June 30th, 1903, and for which the financial and statistical statements are submitted, was 3,675.23 miles, as against 3,332.35 miles during the preceding year, being an increase of 342.88 miles, or 13 per cent.

A comparison of the various classes of earnings with those of the preceding year, is as follows:

	1903.	1902.	Increase.	P. c. of Increase.
GRAIN—				
Freight.....	17,399,876 18	15,808,243 15	1,792,633 03	11.04
Passenger.....	4,385,163 17	4,253,757 73	631,405 44	14.84
Mail.....	530,969 02	471,751 04	59,217 98	12.55
Express.....	630,336 39	526,320 72	104,015 67	19.76
Miscellaneous.....	844,165 67	702,909 85	81,355 82	10.66
Total.....	24,289,510 43	21,620,892 49	2,668,627 94	12.34

The gross earnings per mile of road operated in 1903 were \$6.08 96, as against \$5.64 77 in preceding year, a decrease of \$0.44 19, or one-half of one per cent. This slight decrease in the earnings per mile is accounted for by the fact that the earning capacity of the new mileage added during the year has not yet been fully developed.

A comparison of the different Operating Expense Accounts with those of the preceding year is as follows:

	1903.	1902.	Increase.	P. c. of Inc.
OPERATING EXPENSES—				
Maintenance of Road and Structures.....	2,438,839 62	2,978,847 14	459,992 48	15.44
Maintenance of Equipment.....	2,613,160 63	2,212,396 07	400,854 55	18.12
Transportation and Traffic.....	9,019,253 73	7,649,347 03	1,369,906 70	17.90
General Expenses.....	804,722 81	631,970 36	172,752 45	27.33
Total.....	15,875,976 78	13,472,470 60	2,403,506 18	17.84

The Net Earnings increased \$365,121 76, or 3.2 per cent.

The following are the percentages of the different Operating Expense Accounts to Earnings, and comparison with preceding year:

	1903.	1902.
Maintenance of Road and Structures.....	14.16	13.78
Maintenance of Equipment.....	10.76	10.23
Transportation and Traffic.....	37.13	35.38
General Expenses.....	3.31	2.92
Total.....	65.36	62.31

The following are the Operating Expenses per mile of road, and comparison with preceding year:

	1903.	1902.
Maintenance of Road and Structures.....	\$935.68	\$915.90
Maintenance of Equipment.....	711.02	690.22
Transportation and Traffic.....	2,454.06	2,351.94
General Expenses.....	218.96	194.32
Total.....	\$4,319.72	\$4,142.38

The increase in Operating Expenses per mile was \$ 77.34, or 4.2 per cent, and is accounted for by the increase in wages granted during the year, the increased price of fuel, and to a considerable extent by the extraordinary expenses incurred by reason of the unusual floods which happened during the early spring and summer months.

FINANCIAL.

CAPITAL STOCK.

The Capital Stock of the Company remained unchanged at the end of the fiscal year, and is as follows:

	Authorized.	Issued.
First preferred.....	\$5,000,000	\$5,000,000
Second preferred.....	31,000,000	16,000,000
Common.....	64,000,000	29,000,000
Total.....	\$100,000,000	\$50,000,000

At June 30th, 1903, the Treasury holdings of the Capital Stock issued amounted to \$6,737.70, and consisted of:

First preferred.....	\$6,535.10
Second preferred.....	53.00
Common.....	149.60

\$89.00 of Fractional First Preferred Scrip and \$54.20 of Common Scrip were purchased, and 16,923 shares of the Treasury holdings of the Common Stock were disposed of during the year.

FUNDED DEBT.

The changes in the Funded Debt during the year, as shown by the Balance Sheet, make a net increase of \$17,725,500, and which is made up as follows:

St. Louis & San Francisco RR. Co.

\$12,127,000 in St. L. & S. F. RR. Refunding 4s, of which, \$2,000,000 were for improvement and New Equipment expenditures made in years 1902 and 1903.
3,576,000 were for the purchase of the Stock and Bonds of the Oklahoma City & Western RR. and the Oklahoma City & Texas RR.
4,531,000 were for the purchase of the Stock and Bonds of the Blackwell End & Southwestern Ry. and the Blackwell End & Texas Ry.
1,208,000 were for the purchase of the Stock and Bonds of the Red River Texas & Southern Ry.
736,000 were for the purchase of the Stock and Bonds of the Ft. Worth & Rio Grande Ry.
76,000 were for \$61,000 of Underlying Lien Bonds redeemed, and for refunding purposes.
4,000,000 in Collateral Trust 4 per cent Gold Notes issued for the purpose of acquiring all of the capital stock of the St. Louis Memphis & Southeastern RR. (\$1,417,000.00 still remains in Treasury).

\$16,127,000 Total.
61,000 Deducted, account Underlying Bonds redeemed during the year.

\$16,066,000 Net Increase.

Leasehold Estate (The K. C. F. S. & M. Ry. Co.)

\$1,819,500 in Kansas City Fort Scott & Memphis Ry. Co. Refunding 4 per cent Gold Bonds, of which \$459,500 were for improvement and New Equipment expenditures during the year 1903. \$1,360,000 were for redemption of Underlying Bonds and for refunding purposes.

\$1,819,500 Total.
247,000 Deducted, account Underlying Bonds redeemed during the year.

\$1,572,500 Net Increase.

Auxiliary Companies.

\$1,000,000 in Birmingham Belt RR. Co. First Mortgage 4 per cent Gold Bonds issued for part payment of the property of that Company (out of proceeds of which \$100,000 is reserved for improvements).
994,000 in Ft. Worth & Rio Grande Ry. Co. First Mortgage 4 per cent Bonds (placed under the St. L. & S. F. RR. Co. Refunding Mortgage).
815,000 "in Red River Texas & Southern Ry. Co. First Mortgage Bonds (placed under the St. L. & S. F. RR. Co. Refunding Mortgage).
339,000 "in Paris & Great Northern RR. Co. First Mortgage Bonds (placed under the St. L. & S. F. Ry. Co. Trust Mortgage of 1887).
200,000 "in St. Louis San Francisco & Texas Ry. Co. First Mortgage Bonds (placed under the St. L. & S. F. RR. Co. Refunding Mortgage).

\$3,348,000 Total.

\$3,348,000 Brought forward.

\$913,000 Deducted, being Birmingham Equipment Co. Bonds redeemed during the year and for which K. C. F. S. & M. Ry. Co. Refunding 4s were issued.

\$2,435,000 Increase.

2,348,000 Deducted, as that amount of Bonds of Auxiliary Companies is owned by and covered by mortgages of the St. Louis & San Francisco RR. Co.

\$87,000 Net Increase.

\$17,725,500 Total Net Increase in System Funded Debt.

*(By reason of the independent organizations of the Auxiliary Companies in Texas, required by the Texas State laws, the Bonds of these Companies are included as a liability in the Balance Sheet for the first time.)

BONDS IN TREASURY.

The par amount of bonds held in the treasury as a current asset at June 30th, 1902, was \$3,544,625, and there were added during the fiscal year as follows:

\$2,000,000 00	Refunding 4 per cent Bonds issued for improvement and new equipment expenditures made in years 1902 and 1903.
3,576,000 00	Refunding 4 per cent Bonds issued to cover the purchase price of the Stock and Bonds of the Oklahoma City & Western and the Oklahoma City & Texas railroads.
1,208,000 00	Refunding 4 per cent Bonds issued to cover the purchase price of the Stock and Bonds of the Red River Texas & Southern Ry.
736,000 00	Refunding Mortgage 4 per cent Bonds issued, \$730,000 in part payment of the purchase price of the Stock and Bonds of the Fort Worth & Rio Grande Ry., covering Road Brownwood to Brady, and \$6,000 for 128 shares of Fort Worth & Rio Grande Ry. Co. Stock purchased.
8,000 00	Refunding Mortgage 4 per cent Bonds issued for a like amount of Underlying Bonds redeemed through Sinking Funds.
459,500 00	Kansas City Ft. Scott & Memphis Ry. Co. Refunding 4 per cent Bonds issued for improvement and new equipment expenditures during the year.
247,000 00	Kansas City Ft. Scott & Memphis Ry. Co. Refunding 4 per cent Bonds issued for a like amount of Underlying Bonds redeemed through Sinking Funds.
47,500 00	St. Louis Memphis & Southeastern RR. Co. 4 per cent Bonds, \$45,000 of which were received in exchange for Missouri & Arkansas RR. Co.'s Stock and \$2,500 paid for in cash.
52,077 27	St. Louis & San Francisco RR. Co. 4 per cent Gold Notes and Scrip received in exchange for Southern Missouri & Arkansas RR. Co.'s Stock.
159 00	St. Louis & San Francisco RR. Co. Consolidated 4 per cent Bond Scrip purchased.

\$8,334,236 27 Total added during the year.

Deduct.

\$6,265,000 00	Refunding 4 per cent Bonds sold.
908,000 00	K. C. F. S. & M. Ry. Co. 4 per cent Bonds sold.
125 00	Consolidated Mortgage 4 per cent Bond scrip canceled.
\$7,173,125 00	Total to deduct.

\$1,161,111 27 Net par amount of Bonds added during the year, making a total par amount of Bonds and Scrip in treasury at June 30th, 1903, of \$4,705,736 27. See statement H, page 41, in pamphlet report, for full description of securities owned.

ADVANCES ACCOUNT OF CONSTRUCTION.

The Company at June 30th, 1903, had advanced to roads under construction, and for surveys, \$3,164,917 03, as follows:

Missouri & Southeastern Construction Co.—	
Account St. Louis Memphis & Southeastern RR. Construction	\$586,585 00
Frisco Construction Co.—	
Account Sulphur Springs Extension and Platter Cut-off	167,216 17
Choctaw Construction Co.—	
Account St. Louis San Francisco & New Orleans RR. Construction	215,000 00
International Equipment Co.—	
Account Ft. Worth & Rio Grande Ry. Construction (Additional over Refunding 4 per cent Bonds issued)	204,936 66
Memph- & New Orleans Extension.	70,720 33
New Orleans Terminal Company	649,015 82
Oklahoma City & Western RR. Construction (Additional over Refunding 4 per cent Bonds issued)	61,715 16
Oklahoma City & Southeastern Ry. Construction	14,437 95
Red River Texas & Southern Ry. Construction (Additional over Refunding 4 per cent Bonds issued)	141,701 61
Taylor City Belt Ry. Co.	33,438 39
Miscellaneous Surveys.	20,149 93
Total	\$2,164,917 02

EQUIPMENT NOTES.

During the year the Company issued additional equipment notes as follows:

SERIES "B"	\$1,235,000 00
Dated August 1st, 1902, payable semi-annually, February and August, \$60,000 and \$64,000, respectively, each year, and bearing interest at 4 per cent per annum; last payment August, 1912.	
SERIES "C"	\$738,000 00
Dated October 15th, 1902, fifty notes of \$1,000 each, payable every six months from November 1st, 1902; bearing interest at 4 per cent per annum; last payment November, 1912.	
AMERICAN CAR & FOUNDRY CO. EQUIPMENT NOTES	\$1,091,578 80
120 notes of denomination of \$3,211 00 each; 120 of \$2,793 57 each and 120 of \$3,091 92 each; dated February 27th, 1903; March 27th, 1903, and April 10th, 1903, respectively; one note of each payable upon the corresponding day of each consecutive month thereafter.	

\$263,406 55 of equipment notes were paid and canceled during the year; \$12,408 55 of which were notes of the above issues and \$181,000 were Blair & Company Equipment Trust Notes issued during the previous year.

For description of equipment purchased, see page 1540.

DEFERRED PAYMENTS—OKLAHOMA CITY & WESTERN RAILROAD.

The Company issued two notes dated March 10th, 1901, for \$1,074,598 15 each, bearing interest at rate of 4½ per cent per annum, payable semi-annually, one maturing March 10th, 1904, and the other Sept. 10th, 1904. Settlement for the purchase price of the Oklahoma City & Western RR. and the Oklahoma City & Texas RR. was made, one-third in cash and two-thirds in notes. These notes will be paid when due from the sale of bonds issued for the payment of the road, and which are now in the treasury of the Company.

The increases in items "Notes Payable," "Audited Vouchers and Pay Rolls" and "Due to Companies and Individuals," as shown by the balance sheet, are the results of large expenditures for construction purposes and for the acquisition of additional property. As soon as the financing of the new properties which are being constructed is completed, these liabilities will be paid off.

NEW MILEAGE.

The following roads were completed and placed in operation during the year, references in respect to the construction of which were made in last year's report:

FT. WORTH & RIO GRANDE RAILWAY.—Extension Brownwood to Brady, 49.73 miles, completed and placed in operation March 29th, 1903. The ballasting of this extension is not yet finished, but will be completed by the end of October, 1903.

BLACKWELL ENID & SOUTHWESTERN AND BLACKWELL ENID & TEXAS RAILWAYS.—These roads form a continuous line from Blackwell, O. T., to Vernon, Texas, a distance of 251.426 miles, and were completed and placed in operation Feb. 8th, 1903.

OKLAHOMA CITY & WESTERN AND OKLAHOMA CITY & TEXAS RAILROADS.—These roads form a continuous line from Oklahoma City, O. T., to Quanah, Texas, a distance of 183.53 miles, and were completed and placed in operation March 29th, 1903.

MILEAGE UNDER CONSTRUCTION.

ST. LOUIS SAN FRANCISCO & NEW ORLEANS RAILROAD.—By an agreement with the Choctaw Construction Company, that portion of the St. Louis San Francisco & New Orleans RR. between Ashdown, Ark., and Soper, I. T., 99.96 miles, was on August 1st, 1902, turned over to this Company for operation; an additional 20.26 miles was completed and turned over on November 11th, 1902, and on April 19th, 1903, it was completed to a connection with the Southwestern Division at Madill, I. T., making 165.98 miles completed and placed in operation. It is expected that the entire line between Hope, Ark., and Ardmore, I. T., a distance of about 222 miles, will be ready for operation by November 1st of the current year.

SULPHUR SPRINGS RAILWAY.—An agreement was made with the Frisco Construction Company for the construction of a branch from Scullin, a point on the Southwestern Division, to Sulphur Springs, I. T., a distance of 8.733 miles. Sulphur Springs is a noted health resort in the Indian Territory, famous for its mineral waters. The road was completed into Sulphur Springs on June 7th, but was operated for account of the Construction Company until July 1st, 1903; on the latter date it was turned over to this Company for operation.

PLATTER CUT-OFF.—Under an agreement with the Frisco Construction Company a branch is being built between Meade Junction, a station on the St. Louis San Francisco & New Orleans Railroad, to a connection with the Southwestern Division near Platter, a distance of about nine miles. When completed, this branch will make a saving in the haul of southeastern business to and from Texas points via Denison, passing over the St. L. S. F. & N. O. road, of thirty-two miles. It is expected that this cut-off will be completed by October 1st, 1903.

NEW RAILWAYS ACQUIRED.

ST. LOUIS MEMPHIS & SOUTHEASTERN RAILROAD.—On November 1st, 1902, the company purchased from the Missouri & Southeastern Construction Co. the entire capital stock of the St. Louis Memphis & Southeastern Railroad Company, amounting to \$12,500,000, and issued in payment thereof \$4,000,000 of 4 per cent Collateral Trust Notes. When completed, this line will extend from a point near St. Louis, Mo., to Luxora, Ark., a distance of about 349 miles, with a branch from Shepley, Mo., to Hoxie, Ark., 121 miles, and a branch from Mingo to Hunter, 46 miles, a total of 416 miles. The road is at present in operation for account of construction from Shepley to Hoxie, 121 miles; from Cape Girardeau to Luxora, 126 miles; from St. Genevieve to St. Mary's Junction, 11.5 miles, and from Mingo to Hunter, 46 miles. At Luxora, on the southern end, a connection is made with the Deckerville Branch of the Kansas City Ft. Scott & Memphis Railway. It is expected that the whole line will be completed before the end of the current year. It will give the company a new and direct route between St. Louis, Memphis and Birmingham, and will form a part of the through line connecting Chicago, St. Louis, Memphis and New Orleans.

ST. LOUIS & GULF RY.—In November, 1903, this company acquired the entire capital stock of the St. Louis & Gulf Ry. Co., amounting to \$6,000,000. That company owns the

miles of completed road and branches, and has under construction an additional seventy miles, which it is expected will be completed by the end of the current year. The road and its branches cover a very fertile territory in Southeastern Missouri, and will be a valuable feeder to the St. Louis and Missouri, and the Chicago & Eastern Illinois Railroads. The road, until completed, will be operated for construction account.

CHICAGO & EASTERN ILLINOIS RAILROAD.—In August, 1902, the company acquired the control of the Chicago & Eastern Illinois R.R. Co. by the purchase of fully eighty per cent of the capital stock; and by a circular dated August 7th, 1902, the St. Louis & San Francisco Railroad Company offered to purchase all of the common and preferred stocks of the Chicago & Eastern Illinois Railroad Company on terms as stated therein; 4 c. \$150 per share in preferred stock trust certificates, entitled to dividends at the rate of 6 per cent per annum in respect of each share of preferred stock represented thereby; and for common stock, \$350 in stock trust certificates entitled to dividends at the rate of 10 per cent per annum in respect of each share of common stock represented thereby. The preferred and common stock trust certificates are issued under trust agreements dated October 1st, 1902, between the St. Louis & San Francisco R.R. Co. and the Colonial Trust Company of New York, and are secured by deposit of the respective shares against which they were issued.

The stock trust certificates are payable July 1st, 1942, but may be redeemed on any dividend day on thirty days' notice.

By an agreement dated November 1, 1902, between the Cleveland Cincinnati Chicago & St. Louis Railway Company, the Chicago & Eastern Illinois Railroad Company, and the St. Louis & San Francisco Railroad Company, a double-track road is being constructed between Pana, Ill., and East St. Louis, over which this Company and the Chicago & Eastern Illinois Railroad Company will have trackage rights for a term of nine hundred and ninety-nine years.

The Chicago & Eastern Illinois Railroad is being operated separately.

OSARK & CHEROKEE CENTRAL RAILWAY AND SHAWNEE OKLAHOMA & MISSOURI COAL & RAILWAY.—This Company purchased all of the capital stock of the Ozark & Cherokee Central and the Shawnee Oklahoma & Missouri Coal & Railway Companies. The two roads form a continuous line from Fayetteville, Ark., to Okmulgee, I. T., a point on the Southwestern Division, a distance of 144 miles. The line was completed to Okmulgee on June 19th, 1903, and this Company assumed control of the operations of both companies on July 1st, 1903.

The cost of the stock of the two companies was equivalent to \$1,000 per mile of completed road.

TRAFFIC.

FREIGHT.

The increase in the tonnage carried during the fiscal year over that of the preceding year was 981,280 tons, or 10·82 per cent; and the increase in the ton mileage was 1,2,089,000, or 6·64 per cent. The average haul decreased 6·48 miles, or 8·38 per cent, as compared with the preceding year.

The ton-mileage density of commercial freight per mile of road for the year was 476,051 tons, as against 503,499 tons for the preceding year; a decrease of 27,448 tons, or 5 per cent. This decrease in density of tonnage is natural, for the reason that the business of the new mileage added during the year has been developed to only a limited extent.

The average rate per ton increased one cent, and the average rate per ton mile .048 of a cent, over the preceding year. The increase in the rates per ton and per ton mile was by reason of the larger percentage of increase in tonnage of the higher class of shipments and the more satisfactory rate situation.

The average load in tons of commercial freight per loaded car for the year was 15·27 tons, against 14·75 tons for the preceding year; an increase of .49 of a ton, or 3·33 per cent.

The average load per loaded car, including Company's freight, was 17·34 tons, against 16·19 tons for the preceding year; an increase of 1·15 tons, or 7·10 per cent.

The average train-load of commercial freight was 195·01 tons, against 186·91 tons for the preceding year; an increase of 8·10 tons, or 4·33 per cent.

Including Company's freight, the average train-load for the year was 231·39 tons, against 204·73 tons for the preceding year; an increase of 16·66 tons, or 8·14 per cent.

The freight-train mileage increased 210,690 miles, or 2·40 per cent. The loaded-car mileage increased 3,787,503 miles, or 8·43 per cent. The empty-car mileage decreased 1,155,231 miles, or nearly 2 per cent.

PASSENGER.

The increase in the passengers carried during the fiscal year was 503,290, or 18·65 per cent, over the preceding year, and the increase in the passengers carried one mile was 26,977,519, or 16·70 per cent. The average distance each passenger was carried was 51·25 miles, against 50·36 miles for the preceding year, an increase of 0·89 of a mile, or 1·77 per cent. The average rate per passenger increased 1·18 cents over that of the preceding year, and the average rate per passenger per mile decreased 0·017 of a cent, or seven-tenths of one per cent.

The number of through passengers carried during the year increased 21·97 per cent, and the through passengers carried

one mile 19·21 per cent. The local passengers carried increased 13·03 per cent, and the local passengers carried one mile, 14·11 per cent.

The passenger-train mileage increased 536,359 miles, or 10·03 per cent, and the earnings per passenger-train mile increased 2·8 per cent.

PHYSICAL CONDITION.

The Company has pursued the same policy as in previous years—of charging the total cost of all renewals of buildings, bridges and steel rails to operating expenses.

Twenty-three thousand eight hundred and eighty-one tons of new 75-lb steel rail were laid in track during the fiscal year, as against 15,563 tons laid during the preceding year. 1,051,219 new cross ties and 363 sets of switch ties were placed in track during the year, as against 1,273,881 new cross ties and 528 sets of switch ties laid during the preceding year.

Sixteen bridges of twenty-five spans, and a total length of 2,100 feet, were replaced by ten new bridges of fifteen heavier spans of 1,497 feet, reducing the length of the bridges in question 504 feet. Nine of the spans were replaced by arch culverts, and one span was replaced by cast iron pipe.

To accommodate the increased traffic and facilitate the handling of trains, 120·87 miles of passing, yard and industrial tracks were built during the year, and the cost of same (\$530,909 32) was charged to capital account. 190 20 miles were ballasted with crushed rock and gravel during the year, at a total cost of \$383,080 05, of which \$74,238 61 was charged to operating expenses and \$308,841 44 to capital account.

Construction of a second main track between St. Louis and Windsor Springs, a distance of 13½ miles, was commenced during the past year, and at June 30th, 3¼ miles of same were completed. It is expected that this entire work will be completed before Dec. 1st, 1903.

This much-needed improvement will expedite and facilitate the handling of both suburban and through trains, as well as the additional business between Lindenwood and St. Louis, anticipated with the completion of the line via Cape Girardeau to Memphis—the St. Louis Memphis & Southeastern Railroad.

GENERAL.

The prosperous condition which has prevailed during the past year in the territory tributary to the Company's lines, continues, and an average good crop of farm products is assured for the current year. The outlook for an increase in coal production is also bright, so that a continuation of heavy freight traffic for another year may be expected.

The regular quarterly dividends on the Company's first and second preferred stocks were declared and paid during the year, and the guaranteed dividends on the Kansas City Ft. Scott & Memphis Railway Company Preferred Stock Trust Certificates and the Chicago & Eastern Illinois Railroad Company Common and Preferred Stock Trust Certificates were also duly paid, as shown by the Income Account.

In consequence of the considerable new mileage opened for traffic during the year, the increase in our fixed charges is temporarily somewhat out of proportion to net earnings. The territory served by the new lines is not only productive, but is being rapidly developed, and is now raising and marketing, since the close of the fiscal year, its first crop. Therefore, both gross and net earnings on these new lines were smaller than we shall have in the future, while the full interest charges were borne thereon since taking them into the System.

The cost of "Franchises and Property" has been charged with the difference between cost of underlying bonds refunded and proceeds of 4 per cent refunding bonds sold therefor, heretofore carried in "Suspense Account," as shown in previous Annual Report. A separate account will be kept of this item, and it has been decided by the Board that an appropriation shall be made from Income or Profit and Loss Account, as may be determined annually, so that at or before maturity of the refunding bonds the entire amount will thus be written off.

A separate report showing the results of operation of the Chicago & Eastern Illinois Railroad Company for the fiscal year, and its financial condition at the end thereof, has been published, and the statistics of the Chicago & Eastern Illinois Railroad Company are therefore not included in the figures in this Company's report for the year, but in order to show the consolidated results of operation of the system, including those of the Chicago & Eastern Illinois Railroad Company, there is appended to this report a consolidated Income Account, Profit and Loss Account and Balance Sheet, showing the results of operation of both properties for the year, and their financial condition at the end thereof.

The Board directed that Mr. Stephen Little make an examination of the accounts of the Company for the year, and his certificate appears in the pamphlet report.

I renew my acknowledgment of the faithful and efficient services rendered by officers and employees.

The usual financial and statistical statements showing in detail the results of operation for the year, and the condition of accounts at the end of the fiscal year, are submitted herewith. [See pamphlet report.]

B. F. YOAKUM,
President.

SUMMARY OF FINANCIAL CHANGES FROM JUNE 30TH, 1902, TO JUNE 30TH, 1903.

RESOURCES TO BE ACCOUNTED FOR—

Decrease of Assets—	
Suspense Account	\$5,677,509 99
New Equipment under Blair & Co.	131,000 00
Equipment Trust	
Cash in Trust Co's for Coupons and Sinking Funds	573,185 32
Due from Railroad Companies, Account Traffic	5,615 08
St. L. & S. F. Ry. Co. Trust Mtg. of 1890, 92, redeemed (par \$1,000) cost.	1,230 00
St. Louis World's Fair Stock	17,500 00
Total Decrease of Assets	\$6,406,040 39
Increase of Liabilities—	
Funded Debt	\$18,067,000 00
Capital Stock Auxiliary Companies	2,114,600 00
Funded Debt do do	2,435,000 00
Outstanding Securities on Leasehold Estate—	
(The K. C. F. S. & M. Ry.):	
Funded Debt and Equipment Notes	1,572,500 00
Preferred Stock Trust Certificates	
C. & E. I. RR.	6,257,550 00
Common Stock Trust Certificates, C. & E. I. RR.	17,680,500 00
Equipment Notes, Series "B"	1,180,000 00
Equipment Notes, Series "C"	688,000 00
Equipment Notes, American Car & Foundry Co.	1,064,170 25
Deferred Payments—Oklahoma City & Western RR.	2,149,136 30
Notes Payable	1,375,000 00
Audited Vouchers and Pay Rolls	885,228 78
Due to Companies and Individuals	1,369,075 80
Due to Railroad Companies, Account Traffic	21,041 46
Interest on Bonds, matured	183,396 10
Interest on Bonds, accrued (not due)	265,794 67
Sinking Funds accrued	54,865 90
Total Increase of Liabilities	55,842,859 24
Increase—	
Land Income Account (The K. C. F. S. & M. Ry. Co.)	16,671 45
Increase of Profit and Loss—	
Balance at Credit, June 30th, 1903	\$3,909,226 39
Balance at Credit, June 30th, 1902	3,269,462 38
	639,764 01
Grand Total to be accounted for	\$62,405,335 09

THIS SUM IS ACCOUNTED FOR AS FOLLOWS:

Increase of Assets—	
Franchises and Property	\$21,489,477 84
Stocks and Bonds Owned	1,588,153 04
Leasehold Estate (The K. C. F. S. & M. Ry.)	1,691,164 28
Franchises and Property Auxiliary Companies	4,510,437 01
C. & E. I. RR. Co., Preferred Stock—	
Cost of	6,257,550 00
O. & E. I. RR. Co., Common Stock—	
Cost of	17,680,500 00
New Equipment, Series "B"	1,180,000 00
New Equipment, Series "C"	688,000 00
American Car & Foundry Co., Trust	
Equipment—Cost of	795,811 29
Cash in Treasury	1,178,335 89
Due from Agents and Conductors	235,644 02
Due from Companies and Individuals	842,394 50
Due from United States Government	15,988 30
Supplies on hand	509,300 32
Unadjusted Open Accounts—Balance	308,307 14
Securities in Treasury—Cost of	2,007,032 45
Advances account Roads under Construction	942,112 93
Trustees Sinking Fund Account	116,571 67
Sinking Funds	144,844 77
Old Colony Trust Co., Birmingham Belt Railroad Co., Improvement Fund	100,000 00
Total Increase of Assets	\$62,231,480
Decrease of Liabilities—	
Called Bonds	1,000 00
Equipment Notes, Blair & Company	131,000 00
Taxes accrued (not due)	8,139 44
Kansas City Osceola & So. Ry. Interest Fund	28,751 74
Trustees account Traffic Guaranty The Kansas City Ft. Scott & Mem. Ry. Co.	5,018 32
Total Decrease of Liabilities	171,909
Grand Total accounted for	\$62,405,335 09

CLASSIFICATION OF FREIGHT TONNAGE OF THE SYSTEM FOR YEAR ENDED JUNE 30TH, 1903, AND COMPARISON WITH PREVIOUS YEAR.

	1903.	P. O. of Total Tonnage.	1902.	P. O. of Total Tonnage.
2,000 Pounds, One Ton.				
PRODUCTS OF AGRICULTURE—				
Corn	320,384		217,325	
Wheat	481,439-5		380,652-2	
Other Grain	124,546-4		54,489-3	
Total Grain	926,369-9		652,467	
Flour	287,002-7		241,985-3	
Other Mill Products	123,564-3		102,630-3	
Hay	201,906-8		132,259-7	
Cotton	185,507-8		123,525-5	
Fruit and Vegetables	153,568-8		208,064-8	
Cotton Seed and its Products	132,080-2		91,927-4	
Total Prod. of Agriculture	1,989,938-5	19-80	1,502,840	16-57
PRODUCTS OF ANIMALS—				
Live Stock	393,647-6		431,350-1	
Other Pack. House Products	139,867-7		197,163-3	
Poultry, Game and Fish	9,200-4		9,240	
Wool	432-5		1,176-4	
Hides and Leather	3,848-9		2,999-6	
Total Products of Animals	552,057-1	05-49	641,929-4	07-08
PRODUCTS OF MINES—				
Bituminous Coal	3,518,540-6		3,182,383-4	
Coke	101,880-7		68,566-7	
Ores	198,446-2		203,878-3	
Stone, Sand and Other Like Articles	316,240-6		384,602-6	
Total Products of Mines	4,135,208-1	41-15	3,839,421	42-34
PRODUCTS OF THE FOREST—				
Lumber	1,379,926-3	13-73	1,313,303-9	14-48
MANUFACTURES—				
Petroleum and Other Oils	70,182-8		55,965-5	
Sugar	44,169-4		51,345-6	
Iron, Pig and Bloom	178,424-8		149,607-9	
Iron and Steel Rails	95,109-1		86,186-3	
Other Castings and Machinery	110,310-7		67,810-4	
Bar and Sheet Metal	81,731-4		78,843-2	
Cement, Brick and Lime	415,517-6		368,288-2	
Agricultural Implements	25,556-3		24,048-2	
Wagons, Carriages, Tools, etc	33,148-5		34,670-9	
Wine, Liquor and Beer	33,372-5		28,277-3	
Household Goods and Furniture	77,135-6		47,572-9	
Total Manufactures	1,162,458-4	11-57	989,416-4	10-91
Merchandise	474,074-5	04-72	411,577-7	04-54
Miscellaneous, Other Commodities not mentioned above	356,268-4	03-54	370,162	04-08
Total Tonnage, exclusive of Company's business	10,049,931-3	100	9,068,650-4	100
Company's business	2,190,701-8	17-90	1,539,539-4	14-51
Total Tonnage, including Company's business	12,240,633-1		10,608,189-8	
Average mileage operated 1903, 3,675-23.			1902, 3,252-35.	

STATEMENT OF ROLLING STOCK, SHOWING THE DIFFERENT CLASSES AS OF JUNE 30TH, 1903, COMPARED WITH JUNE 30TH, 1902.

Description.	Owned June 30, 1903.	Changed, Built and Purchased.	Destroyed and Scrap.	Owned June 30, 1902.
LOCOMOTIVES	510	78	2	590
PASSENGER CARS—				
Coaches—First Class	84	14	30	68
Coaches—Second Class	50	21	1	71
Chair	48	7		55
Combination	17	2		19
Coach and Baggage	25			25
Coach and Mail	11		4	15
Coach, Mail and Baggage	43	23		66
Baggage and Express	1		1	2
Baggage, Mail and Express	6	18		24
Mail and Express	11		11	1
Mail and Baggage	14	4	18	1
Baggage	3		3	
Express	13	6		19
Mail	8			8
Official		2		2
Dining	3	4		7
Observation Cafe	6	3		9
Fruit (Passenger)				
Total Passenger Cars	342	105	60	507
FREIGHT CARS—				
Box	7,042	3,177	205	10,414
Fruit (Freight)	75	95	15	185
Stock	984	1,170	134	3,133
Coal	7,136	98	20	8,154
Flat	587	1	9	697
Refrigerator	107			107
Furniture	736	44	8	828
Caboose	272			272
Total Freight Cars	16,939	4,585	395	21,719
MISCELLANEOUS CARS—				
Derrick	4	3		7
Pile Driver	5	1		6
Steam Wrecker	3	1	1	4
Boarding	10		1	11
Water	9			9
Gas Tank	3	1		4
Steam Wrecker	3			3
Ballast Unloader	3			3
Tool	1	1		2
Service	1	153	67	161
Ballast	174	59	156	389
Ballast-Rodgers and Ingoldsby	26	64		90
Cinder	159	1		160
Distributing	4	2		6
Ditcher	1			1
Total Miscellaneous Cars	472	295	234	941
Total Cars	17,753	4,985	629	23,367
Grand Total Engines and Cars	18,283	5,063	631	23,977

CONDENSED GENERAL BALANCE SHEET, INCLUDING THE CHICAGO & EASTERN ILLINOIS RR. CO., AT JUNE 30, 1903.

ASSETS—	St. L. & S. F. RR. System.	O. & E. I. RR. Co.	Total.
Franchises and Property.....	122,121,599	37,676,553	159,798,153
Stocks and Bonds Owned.....	3,313,046	.....	3,313,046
Total Franchises and Property.....	125,434,645	37,676,553	163,111,199
Leasehold Estate—The K. C. F. S. & M. Ry.....	63,691,774	.....	63,691,774
Franchises and Property, Auxil- iary Companies.....	33,210,534	.....	33,210,534
C. & E. I. RR. Co., Preferred Stock Cost of (see contra).....	6,257,550	.....	6,257,550
C. & E. I. RR. Co., Common Stock Cost of (see contra).....	17,660,500	.....	17,660,500
New Equipment under Blair & Co. Equipment Trust (see contra).....	1,114,000	.....	1,114,000
New Equipment, Series "B" (see contra).....	1,180,000	.....	1,180,000
New Equipment, Series "C" (see contra).....	688,000	.....	688,000
American Car & Foundry Co. Trust Equipment, Cost of.....	795,911	.....	795,911
Refunding Mort., 4% Bonds in Trust with Continental Trust Co. of N. Y. (see contra).....	200,000	.....	200,000
Mississippi Valley Trust Co., for deposits by Special Master in Chancery for Kansas Midland Ry. (see contra).....	873	.....	873
Current Assets—			
Cash in Treasury.....	1,548,980	739,210	2,288,190
Cash in Trust Cos. for Coupons and Sinking Funds.....	345,725	.....	345,725
Due from Agents and Conductors	1,192,548	593,415	1,785,963
Due from Railroad Companies, Account Traffic.....	100,961	.....	100,961
Due from Companies and Indi- viduals.....	2,525,479	490,945	3,016,424
Due from U. S. Government.....	135,782	22,058	157,839
Supplies on hand.....	1,605,543	629,606	2,235,149
Unadjusted Open Accounts (bal.)	505,284	.....	505,284
Securities in Treasury, Cost of.....	5,465,274	1,000,000	6,465,274
Other Investments, including Terminal Grounds and Build- ings in Chicago.....	.....	2,985,663	2,985,663
Advances, Account Roads under Construction.....	2,164,917	419,796	2,584,713
Total Current Assets.....	15,590,492	6,880,693	22,471,185
Trusts Sink. Funds Account.....	1,090,309	.....	1,090,309
Sinking Funds.....	144,845	640,630	785,475
Old Colony Trust Co. Improvemen't Fund.....	100,000	.....	100,000
Total Assets.....	267,159,433	45,197,877	312,357,310

LIABILITIES—	St. L. & S. F. RR. System.	O. & E. I. RR. Co.	Total.
Capital Stock—			
1st Preferred.....	5,000,000	6,830,700	11,830,700
2d Preferred.....	16,000,000	.....	16,000,000
Common.....	29,000,000	7,204,400	36,204,400
Funded Debt.....	75,036,925	25,623,000	100,711,925
Tot. Capital Stock and Bonds.....	125,036,925	39,658,100	164,747,025
Outstanding Securities on Lease- hold Estate, The K. C. F. S. & M. Ry.—			
Stocks—			
Preferred Certificates.....	13,510,000	.....	13,510,000
Common.....	15,000,000	.....	15,000,000
Funded Debt and Equip. Notes.....	35,063,110	.....	35,063,110
Tot. Outstand. Secur. on Lease- hold Est., K. C. F. S. & M. Ry.....	63,573,110	.....	63,573,110
Capital Stock, Auxiliary Co.'s.....	14,199,700	.....	14,199,700
Funded Debt, Auxiliary Co.'s.....	19,106,920	.....	19,106,920
Total Capital Stock and Bonds, Auxiliary Companies.....	33,305,620	.....	33,305,620
Preferred Stock Trust Certificates O. & E. I. RR. (see contra).....	6,257,550	.....	6,257,550
Common Stock Trust Certificates, O. & E. I. RR. (see contra).....	17,660,500	.....	17,660,500
Equipment Notes, Blair & Co. (see contra).....	1,114,000	.....	1,114,000
Equipment Notes, Series "B" (see contra).....	1,180,000	.....	1,180,000
Equipment Notes, Series "C" (see contra).....	688,000	.....	688,000
Equip. Notes, Am. Car & F. Co. Ref. Mort. 4% Bonds, Northwest Div. Imp. and Equip. Fund (see contra).....	1,084,170	1,266,694	2,350,864
Special Master, Kan. Midland Ry. (see contra).....	.....	873	873
Deferred Payments—O.C. & W.R.R.	2,149,136	.....	2,149,136
Current Liabilities—			
Notes Payable.....	2,215,000	.....	2,215,000
Audited Vouchers and Pay Rolls Due to Co.'s and Individuals.....	3,364,769	845,958	4,210,727
Due to RR. Co.'s, Acct. Traffic.....	1,412,609	.....	1,412,609
Dividends due and uncalled for Interest on Bonds, Matured.....	148,478	.....	148,478
Int. on Bonds, Accrued (not due)	319,632	.....	319,632
Taxes, Accrued (not due).....	1,490,046	39,100	1,529,146
.....	937,266	304,069	1,241,335
.....	162,375	48,951	211,326
Total Current Liabilities.....	9,730,542	1,587,611	11,288,153
Sinking Funds Account.....	1,151,290	.....	1,151,290
K. C. F. S. & M. Ry., Interest Fund.....	21,532	.....	21,532
Imp. Fund (K.C. & M. Ry. & Br. Co.)	18,099	.....	18,099
Total Liabilities.....	263,201,328	42,484,405	305,685,733
Accounts to Balance—			
Land Income Account (The K.C. F. S. & M. Ry. Co.).....	48,879	.....	48,879
Profit and Loss.....	3,909,226	2,713,472	6,622,698
Total.....	267,159,433	45,197,877	312,357,310

Total Mileage at June 30, 1903—St. Louis & San Francisco RR. System.....3,938-17 miles.

Total Mileage at June 30, 1903—Chicago & Eastern Illinois RR.....751-45 miles.

Grand Total.....4,689-62 miles.

*All owned by the Company except \$51,100 of the Ft. Worth & Rio Grande Railway Co. issue.
 \$2,747,500 of the Funded Debt of Auxiliary Companies is owned by the Company, of which \$2,009,000 is deposited under the Refunding
 Mortgage \$399,500 under the K. C. F. S. & M. Ry. Co. Refunding Mortgage, and \$339,000 under the Trust Mortgage of 1887.

STATEMENT OF GENERAL INCOME ACCOUNT OF THE ST. LOUIS & SAN FRANCISCO RAILROAD SYSTEM, INCLUDING THE CHICAGO & EASTERN ILLINOIS RAILROAD CO., FOR THE FISCAL YEAR ENDED JUNE 30TH, 1903.

	St. L. & S. F. RR. System.	O. & E. I. RR. Co.	Total.
Average mileage.....	3,675-23	743-39	4,418-62
Percentage of Operating Gross Earnings from Operation.....	65-36	55-83	63-06
Operating Expenses.....	\$24,289,510 43	\$7,723,847 90	\$32,013,358 33
Operating Expenses.....	15,875,976 78	4,312,587 81	20,188,564 59
Net Earnings from Oper- ation.....	\$8,413,533 65	\$3,411,260 09	\$11,824,793 74
Loss—			
Miscellaneous Income, Dividends on C. & E. I. RR. Co. Stock.....	131,095 36	372,798 81	503,894 17
Land Department Re- ceipts.....	607,132 50	.....	607,132 50
.....	5,075 55	.....	5,075 55
Total Net Income.....	\$9,156,837 06	\$3,784,058 90	\$12,940,895 96
Loss—			
Int. on Funded Debt and Equip't Notes.....	\$3,530,437 04	\$1,282,323 95	\$4,812,760 99
Rental of Leased Lines Taxes.....	2,780,865 49	157,523 22	2,938,388 71
Rental of Tracks and Terminals.....	382,920 89	239,501 00	622,421 89
Guaranteed Dividends Nos. 1, 2 and 3 on Preferred, and Nos. 1 and 2 on Common Stock Trust Certifi- cates, C. & E. I. RR. Co.	98,773 99	.....	98,773 99
Total interest and other charges.....	889,222 50	.....	889,222 50
.....	\$7,682,119 91	\$1,679,348 17	\$9,361,468 08
Surplus—applicable to Dividends.....	\$1,474,717 15	\$2,104,710 73	\$3,579,427 88

	St. L. & S. F. RR. System.	O. & E. I. RR. Co.	Total.
Brought forward.....	\$1,474,717 15	\$2,104,710 73	\$3,579,427 88
Out of which the follow- ing Divid's were paid—			
4% each on St. L. & S. F. RR. Co. First and Second Pref'd Stock, \$199,742 12 and \$640,000 respectively 6% each on C. & E. I. RR. Co. Pref'd and Com. Stock, \$409,842 and \$433,068, re- spectively.....	\$839,742 12	\$.....	\$839,742 12
Total Dividends.....	\$839,742 12	\$842,910 00	\$1,682,652 12
Leaving Balance of.....	\$634,975 03	\$1,261,800 73	\$1,896,775 76
Out of which the follow- ing appropriations were made by the Ex- ecutive Committee—			
For new construction and permanent better- ments.....	\$.....	\$289,971 12	\$289,971 12
For interest on Car Trust Notes for de- ferred payments on 1,000 box cars and 750 coal cars, pur- chased from Ameri- can Car & Foundry Co.....	.....	330,675 52	330,675 52
For depreciation of equipment.....	.....	300,000 00	300,000 00
And the remaining Sur- plus carried to credit of Profit and Loss.....	634,975 03	341,154 09	976,129 12
Total.....	\$634,975 03	\$1,261,800 73	\$1,896,775 76

STATEMENT OF GENERAL PROFIT AND LOSS ACCOUNT OF THE ST. LOUIS & SAN FRANCISCO RR. SYSTEM, INCLUDING THE CHICAGO & EASTERN ILLINOIS RR. CO., AND ADJUSTMENTS THEREIN, JUNE 30TH, 1902, TO JUNE 30TH, 1903.

	St. L. & S. F. R.R. System.	Ch. & E. I. R.R. Co.	Total.		St. L. & S. F. R.R. System.	Ch. & E. I. R.R. Co.	Total.
CREDIT—				DEBIT—			
Balance at June 30, 1902.....	3,269,462 38	1,701,071 76	4,970,534 14	Instalment from Suspense Account on account of difference between the cost of Underlying Bonds refunded and the proceeds of the Refunding Bonds sold, and the commission paid therefor, as authorized by the Board.....	250,000 00		250,000 00
Surplus for year ended June 30, 1903, per Income Accounts Amount refunded by United States Internal Revenue Department, for revenue stamps erroneously used on Voting Trust Certificates.....	634,975 03	341,154 09	976,129 12	Engraving, Recording and Certifying Bonds and Stock issued during the fiscal year, and Legal Services in connection therewith.....	32,624 81		32,624 81
Adjustment of Sinking Fund Accounts, being balance of amounts previously charged to Income Account.....	7,918 80		7,918 80	Taxes for the year 1902 on lands in New Mexico and Arizona.....	8,821 85		8,821 85
Miscellaneous Accounts closed out—Total (credit).....	83,955 38		83,955 38	Amount advanced Crescent Hotel Co. to reconstruct hotel.....	12,314 49		12,314 49
Total Debit.....				Total Debit.....	303,761 15		303,761 15
Liquidating Dividend on 548 shares Peirce City Real Estate Co. Stock, over and above book value of said stk. Balance of proceeds of sale of \$7,500 in Baxter, Kansas, 5% Bonds, over book value..	207,681 97		207,681 97	Balance.....	3,909,226 39	2,713,472 35	6,622,698 74
Amount received from Chicago & Western Indiana R.R. Co. for extinguishment of special privilege under its lease dated Oct. 24th, 1879.....	2,236 69		2,236 69				
Amount received from Belt Ry. Co. of Chicago for release of lease of the Belt Ry. Co. and C. & W. I. R.R. Co.....	6,757 29		6,757 29				
		551,246 50	551,246 50				
		120,000 00	120,000 00				
Total Credit.....	4,212,987 54	2,713,472 35	6,926,459 89	Balance at Credit, June 30, 1903.....	3,909,226 39	2,713,472 35	6,622,698 74

DENVER & SOUTHWESTERN RAILWAY COMPANY.

PLAN FOR REORGANIZATION.

NEW YORK, October 20th, 1903.

To the Holders of the General Mortgage Bonds of the Denver & Southwestern Railway Company:

GENTLEMEN—This company was organized December 1st, 1899. The capital stock is \$5,000,000—\$2,000,000 preferred and \$3,000,000 common. General mortgage 5 per cent bond issue of \$5,500,000.

The following stock and bonds were pledged to secure the payment of said bond issue:

All the capital stock of the La Bella Mill, Water & Power Co., par.....	\$250,000
All the bonds of the La Bella Mill, Water & Power Co., par.....	250,000
All the capital stock of the Colorado Trading & Transfer Co., par.....	200,000
All the capital stock of the Midland Terminal Railway Co. (subject to the first mortgage bonds of that company now outstanding, \$480,000), par.....	1,000,000
All the capital stock of the Florence & Cripple Creek R.R. Co., par.....	1,000,000
All the bonds of the Florence & Cripple Creek R.R. Co., par.....	1,000,000
All the capital stock of the Golden Circle R.R. Co., par.....	175,000
All the bonds of the Golden Circle R.R. Co., par.....	175,000
All the capital stock of the Canon City & Cripple Creek R.R. Co., par.....	175,000
All the bonds of the Canon City & Cripple Creek R.R. Co., par.....	175,000
Three-quarters of the capital stock of the Metallic Extraction Co., par.....	375,000

The capital stock of the Metallic Extraction Company above referred to has been exchanged for \$225,000 par value of the first mortgage bonds of the United States Reduction & Refining Company. There has been no other change in the securities pledged to secure this bond issue.

For the first two years of the existence of the company it paid the interest on its bonded debt, requirements of the sinking fund and dividends of 5 per cent on the preferred and 6 per cent on the common stock. Since that time the earnings have become materially reduced, due principally to the building of a competing railway line from Colorado Springs to Cripple Creek, resulting in a division of the business of the territory served by the Denver & Southwestern lines, in addition to very material reductions in freight and passenger rates.

A complete prostration of the business of the company has existed since August 1st, 1903, due to a general strike of the miners in the Cripple Creek Mining District, and the indications are that this strike will not be terminated prior to December 1st, 1903. It has become evident to all the large holders of the general mortgage bonds of the company that it will be unable to pay interest coupon maturing December 1st, 1903, on these bonds, and that unless some plan of readjustment of the company's outstanding obligations is speedily adopted, foreclosure proceedings under the general mortgage must be faced, resulting in great expense, legal complications and general loss to the bondholders. To avoid, if possible, these undesirable proceedings, the undersigned committee, representing nearly all the large holders of the general mortgage bonds of the Denver & Southwestern Railway Company, has investigated its affairs, and submits the following statement of the present financial condition and plan for the reorganization of the company.

PRESENT FINANCIAL CONDITION OF THE COMPANY.

The company being unable to meet coupons due December 1st, 1902, and June 1st, 1903, arrangements were made by

the Board of Directors for the advancement of these amounts. A small portion of these amounts has been repaid, but on this date there is outstanding on account of these advancements the sum of approximately.....

The instalment of sinking fund due June 1st, 1903, is overdue and unpaid, approximately.....
On December 1st, 1903, there will be due, in addition to the above, interest on general mortgage bonds.....
Semi-annual instalment of sinking fund.....

Total obligation of the company on Dec. 1, 1903, approximately.....

In addition to the above, the underlying companies will, on Dec. 1st, 1903, have current liabilities in excess of current assets, including taxes, interest and operating expenses, approximately, \$150,000.

The company has no assets with which to meet these obligations other than the securities pledged with the trustee to secure its general mortgage bonds.

Net earnings of the company, applicable to interest and sinking fund requirements for the year ending Nov. 30th, 1902, were \$142,333 52; for the eight months ending July 31st, 1903, \$143,665 31.

The present labor troubles in Cripple Creek will undoubtedly result in loss from operation for the period from July 31st, 1903, to Nov. 30th, 1903, so that the net earnings for the year ending November 30th, 1903, will not exceed the amount for the eight months ending July 31st, 1903. Had it not been for the labor troubles above referred to, it is estimated that these earnings for the year ending November 30th, 1903, would have been approximately \$215,000.

The earnings for the period ending November 30th, 1902, cannot be considered a fair estimate of the average earnings of the company, for the reason that a disastrous rate war existed during a large portion of that period; \$300,000 per annum seems to be a conservative estimate for the net earnings of the company applicable to interest, and this seems to be all that can be safely counted upon in the near future.

In view of the above financial danger threatening the company, and to conserve the security of the general mortgage bonds, the committee has prepared, and herewith presents for your consideration, the following:

PLAN FOR REORGANIZATION OF THE COMPANY.

I. All holders of the company's general mortgage 5 per cent bonds dated December 1st, 1899, to deposit their bonds with all unpaid coupons attached, including coupon due December 1st, 1903, on or before November 14th, 1903, with either the Continental Trust Company, New York, the State Street Trust Company, Boston, Mass., or the Toronto Safe Deposit & Agency Company, Toronto, Canada (the said companies being appointed depositaries for the purpose), receiving for the bonds so deposited negotiable reorganization receipts or certificates of deposit from such depositaries. The bondholders depositing their bonds as above provided, such deposit assent to this plan and each provision thereof, and thereby confer upon the committee, or a majority of them and their successors, all the powers hereinafter specified, and such other and further powers in respect to the deposited bonds as may be necessary or desirable to enable the committee to carry out the said plan and effectuate its purpose thereof.

2. The general mortgage bonds of this company to be canceled and the mortgage released and discharged.

...decided advisable to reduce the fixed charges for the first year in order that the company may fully recover its losses after the termination of the present labor difficulties. After the expiration of the first year the interest on the general mortgage 4 per cent bonds is \$120,000 instead of

C. E. A. GOLDMAN,
MONTGOMERY ROLLINS,
Committee.

THE CHICAGO & ALTON RAILWAY COMPANY.

THIRD ANNUAL REPORT—FOR THE YEAR ENDING JUNE 30, 1903.

To the Stockholders of The Chicago & Alton Railway Company:

The Board of Directors submit herewith the third annual report of operations for the year ending June 30, 1903.

The mileage operated during the year was as follows:

	Miles of main and branch lines		Miles of sidetrack	Length of all tracks
	First main track	Additional main track		
Springfield, Ill., to Grove, Ill.	53-23	10-80	64-13	
Chicago, Ill., to E. St. Louis, Ill.	279-95	110-06	170-34	560-35
Coal City Line—Joliet, Ill., to Mazonia, Ill.	24-79	-----	7-60	32-39
Dwight, Ill., to Washington and Lacon, Ill.	80-50	-----	7-54	88-04
Roodhouse, Ill., to Kan. City, Mo.	251-17	-----	64-33	315-50
Bloomington, Ill., to Godfrey, Ill.	150-60	-----	30-06	180-66
Godfrey, Ill., to Wann, Ill.	7-60	-----	1-02	8-62
Mexico, Mo., to Cedar City, Mo.	50-10	-----	2-78	52-88
	898-04			
TRACKAGE—				
Grove, Ill., to Peoria, Ill.	5-18			
Wash'n, Ill., to Peoria, Ill.	11-50			
Bridge Jet to Union Depot, Kansas City, Mo.	69			
	17-37	-----	-----	17-37
	915-41	110-06	294-47	1,319-94

In addition to the above, the line between Wann and East St. Louis, 17-85 miles, is operated jointly with the Cleveland Cincinnati Chicago & St. Louis Railway Company as a double-track, each company owning and maintaining one track. This makes the actual second-track mileage in operation 127-91 miles.

The loop lines made by the Coal City Branch and Alton cut-off and San Jose-Sherman line make, for operating purposes, the equivalent of 85-3 miles more of double track, or a total of 218-2 miles.

The results for the year ending June 30, 1903, are as follows:

Gross receipts from operation	\$10,071,092 21
Operating expenses (not including taxes)	6,625,195 64
Net receipts from operation	\$3,445,896 57
Income from investments:	
Dividends received on stocks owned	\$1,525,622 00
Interest received on bonds owned	240,000 00
Miscellaneous income	4,448 61
Total income	\$5,215,967 18
CHARGES—	
For rentals of leased lines	\$2,996,588 23
Other expenses	2,683 04
Taxes	845,000 00
Total rentals, etc., under lease	\$3,344,251 27
Interest on first lien bonds, \$22,000,000 at 3½ per cent	\$770,000 00
Interest on 4 per cent collateral trust notes—outstanding	97,004 45
Discount on 4 per cent collateral trust notes—sold	29,728 00
Interest on loans and open accounts	123,943 06
Total charges	4,364,926 78
Surplus available for dividends	\$851,040 40
Less dividends paid on preferred stock:	
January 2, 1903, 2 per cent	\$390,880 00
July 1, 1903, 2 per cent	390,880 00
	781,760 00
Balance, surplus for the fiscal year	\$69,280 40
Balance brought over June 30, 1902	150,588 03
Surplus June 30, 1903	\$569,438 43

The operations of the twelve months covering the third fiscal year of the Railway Company compared with the operations of the previous year, are as follows:

	Year Ending		Increase.	Per Cent.
	June 30, 1902.	June 30, 1903.		
Gross Receipts—				
Freight	6,127,504 58	6,610,637 21	483,132 63	7-88
Passenger	2,578,468 24	2,908,583 40	330,115 16	12-80
Mail	241,251 33	241,111 94	139 39	-06
Express	198,807 95	218,039 43	19,731 48	9-95
Miscellaneous	80,207 14	92,720 28	12,513 09	15-60
Total	9,225,739 24	10,071,092 21	845,352 97	9-16

* Decrease.

FREIGHT TRAFFIC.

The gross receipts amounted to \$6,610,637 21, an increase of \$483,132 63, or 7-88 per cent, being the result of a gain of \$1,360,456 23 in increased tonnage and a loss of \$877,328 60 due to decreased rate; the increase is made up principally in the following items:

Animals and animal products	\$64,839 86	or 6-50 per cent.
Coal and other mine products	167,798 10	" 11-29 "
Iron, steel and other manufactures	176,675 39	" 19-73 "
Grain	811,605 62	" 47-31 "
Other mill products	8,565 23	" 6-40 "

Against this we have decreases in

Lumber and other forest products	\$29,700 84	or 7-56 per cent.
Other commodities	208,472 82	" 15-66 "

The gross freight earnings increased 7-88 per cent, while the ton mileage increased 22-16 per cent, the increased tonnage being mainly in the low-class freight.

The number of tons of revenue freight carried during the year was 5,877,995, an increase of 955,604 tons, or 19-11 per cent.

The number of tons moved one mile was 1,102,798,422; an increase of 200,047,032 tons, or 22-16 per cent. The tons moved one mile per mile of road were 1,204,068.

The revenue per ton decreased from \$1 24 to \$1 13, and the revenue per ton per mile decreased from 0-679 cent to 0-669 cents.

The average haul was 187-61 miles.

PASSENGER TRAFFIC.

The total receipts amounted to \$2,908,583 40, being an increase of \$330,115 16, or 12-80 per cent, arising from a gain in business of \$153,007 25, and a gain of \$177,107 91, due to an increase in average rate obtained.

The number of passengers carried was 2,879,374, an increase of 383,469, or 15-36 per cent.

The number of passengers moved one mile was 144,833,111, an increase of 8,261,684, or 5-96 per cent. The number of passengers moved one mile per mile of road was 160,484.

The revenue per passenger decreased from \$1-03 to \$1-01 or 1-94 per cent.

The revenue per passenger per mile increased from \$0-08 to \$0-0 98, or 6-45 per cent.

The passenger business is largely local, 91 per cent originating on the line.

The only decreases in connection with the passenger traffic are in revenue per passenger and in average haul, caused by an increase in excursion traffic.

MAIL.

The receipts from this source were \$241,111 94, a decrease of \$139 39. Per mile of road the receipts were \$363 19; per passenger train mile, 8-4 cents.

EXPRESS.

The receipts amounted to \$318,039 43, an increase of \$781 48. Per mile of road they were \$335 19; per passenger train mile, 7-6 cents.

MISCELLANEOUS

The receipts from miscellaneous sources were \$92,720 28, an increase of \$12,513 09 over the previous year.

The development of the traffic since the property was acquired by its present owners is best illustrated by the following statement:

	Gross receipts	Receipts per mile of road.	Passengers, one mile.	Tons, one mile.
1899	\$6,546,590 45	\$7,765 83	105,873,965	519,161,000
1900	7,796,449 76	9,118 65	120,360,469	629,964,000
1901	9,036,655 65	9,826 30	132,887,965	823,069,710
1902	9,225,739 24	10,031 90	138,591,837	902,745,600
1903	10,071,092 21	11,001 73	146,853,521	1,102,798,422

The gross tonnage during the year increased 15-36 per cent, the ton-mileage 20-81 per cent and the freight-ton mileage 7-05 per cent. The tons of revenue freight per train mile were 360-55 tons, an increase of 14-11 per cent over the previous year. In the face of a falling off of 11-9 per cent in the receipts per ton per mile the earnings per freight-train mile increased 0-98 per cent. The total tons of all freight were 387-25 per train mile, as compared with 166-80 in 1899.

The percentage of empty-car mileage (caboose mileage included) was increased from 25-98 per cent in 1902 to 26-99 per cent this year.

The percentage of foreign-car mileage was increased from 44-35 per cent to 49-79 per cent.

The increase in the capacity of the freight car equipment has raised the average tonnage per loaded car from 17-6 tons last year to 18 99 tons this year.

EXPENSES.

	Year Ending		Increase.	Per Cent.
	June 30, 1902.	June 30, 1903.		
Maintenance of way and structures	959,330 73	1,213,364 71	254,033 98	26-49
Maintenance of equipment	1,042,078 41	1,190,832 17	148,753 76	14-27
Conducting transportation	3,797,475 29	3,983,067 62	185,592 33	4-90
General expenses	225,034 92	237,931 14	12,896 22	5-73
Total	6,023,919 35	6,625,195 64	601,276 29	10-00

MAINTENANCE OF WAY AND STRUCTURES.

The total expenditures on this account were \$1,213,364 71, an increase of \$254,033 98, or 26-49 per cent over the previous year; the expense per mile of road was \$1,835 49.

The principal items of increase were:

Frogs and switches	
Repairs—roadbed and track	
Renewal of ties	
Ballast	

It will be of interest to note that during the last four years

To renewals in main track cover	50-60 per cent of the mileage
Ballast	51-13
Switches	18-93
Trucks	64-02
Engines	96-38
Trucks	78-74

This will give some idea of the work that has been done on this property under the present management.

Two thousand four hundred and sixty-six tons of new rail and 185 tons of re-laying rail were placed in the track, making a total of 20-7 miles of track re-laid during the year. In connection with this work 7,337 pairs of new splices were connected with the main track, equaling 35-4 miles, or 7-21 per cent of the total main track; 35-4 miles were used in sidings; 64 new switches and 59 new trucks were used to replace old; 63 new switch stands were erected; 1,607 lineal feet of bridge flooring was renewed; 174 feet of new truss bridges and 1,138 feet of plate-girder bridges erected; 5 new stations were built and 133 repaired.

At the date of this report the rail in the main track was as follows:

	Miles.
Re-laid	595-06
Original	57-31
Total	303-33
Re-laid	50-30
Original	2-10
Total	1,008-10

The ballast consists of 532-02 miles of stone, 189-80 miles of gravel, 97-65 miles of cinders, 134-48 miles of slag; total, 959-95; while 64-15 miles of branch line are not ballasted.

MAINTENANCE OF EQUIPMENT.

The total expenditures on this account were \$1,190,832 17, or \$1,000 97 per mile of road and 20-07 cents per train-mile, being an increase over the previous year of \$143,753 76, or 14-7 per cent.

The increase in maintenance of equipment is largely in the following items:

Repairs locomotives	8-00 per cent.
Freight cars	36-07 " "
Passenger cars	45-28 " "

The mileage was as follows:

Locomotive	7,393,449 or 6-24 per cent increase.
Passenger car	13,946,272 or 5-17 " "
Freight car	57,018,352 or 16-24 " "

Two hundred and sixty-one locomotives received general repairs, the average repairs per locomotive being \$2,758 37.

The average mileage per engine was: passenger, 60,883; freight, 37,033. Full details of locomotive performance are given in Table 9 in pamphlet report.

Two hundred and fifty-two passenger equipment cars received light and 133 heavy repairs. The average cost of repairs was \$233 96 per car.

Thirteen thousand five hundred and thirty-nine freight cars received light and 5,615 heavy repairs. The average cost of repairs was \$18 40 per car for the entire equipment.

There have been added to the equipment 11 locomotives of a total tractive power of 470,697 pounds; 2 locomotives have been broken up and 2 sold, making a net addition of 7 locomotives to the equipment; of these 10 were charged to construction account and 1 to operating expenses.

One new dining car was purchased and its cost charged to operating expenses.

There were purchased and added to the freight equipment 300-ton coal cars, 175 40-ton gondola cars and 75 40-ton flat cars. Of these, the 300 coal cars were purchased on car trust plan, through the Chicago & Alton Equipment Association, and the remainder was purchased through the Equitable Trust Company of New York on joint car trust with the Middle & Ohio Railroad Company, for use in the Southern lumber trade. Twenty refrigerator cars were purchased and their cost charged to operating expenses.

Of service cars there were built in the company's shops 7 cabooses and there was purchased one 60-ton crane; the cost of this equipment being charged to operating expenses.

Between June, 1899, and June, 1903, the total tractive power of the locomotives in service has been increased from 3,574,380 pounds to 5,181,738 pounds, or 30-27 per cent.

The total capacity of the freight equipment in service has been increased from 131,890 tons to 309,180 tons, or 134-4 per cent. The average capacity per car has been increased within this period from 21-53 tons to 31-53 tons.

CONDUCTING TRANSPORTATION.

The expenditures on this account were \$3,983,067 62, or \$4,501 13 per mile of road; 67-13 cents per train mile; an increase of \$ 85,593 33, or 4 89 per cent over the previous year.

The increase in conducting transportation is in the following items principally:

Fuel for locomotives	15-91 per cent.
Switchmen, flagmen and watchmen	27-15 " "
Train supplies	17-18 " "
Station service and labor	9-19 " "
Freight car mileage	52-42 " "
Passenger car mileage	5-47 " "
Advertising	6-02 " "

There were 502,194 tons of company freight moved during the year against which no charge was made to cover the expense of movement. Since 1898, 2,324,545 tons of company

material have been moved, the cost of moving all of which has been charged to "Operating Expenses." This work has naturally increased the cost of "Conducting Transportation" in the past and previous years.

The taxes paid and charged against the year's operations amounted to \$345,000, or \$376 88 per mile of road. The taxes were 3-42 per cent of the gross earnings and 11-13 per cent of the net earnings.

IMPROVEMENTS.

No large new improvements in grades or alignment were made. The work of readjusting the alignment of curves, introducing easement curves, has been continued, and some slight changes have been made in grade in connection with the reconstruction of bridges.

Additional side and yard tracks, 24-45 miles, have been built; also 5-45 miles of industry tracks. Of the latter, 3-1 miles were constructed for the accommodation of entirely new industries, including four coal mines, four factories, four elevators, two stone quarries and one very large power station of the Metropolitan Traction Company in Kansas City.

Forty-five bridges, of a total length of 3,370 feet, most of which were wooden trestles, were replaced by 1,675 lineal feet of steel spans on concrete masonry, 250 feet of crescented trestle with solid ballast floor, two concrete arch culverts and 14 cast-iron pipe culverts.

Because of increased traffic it became necessary to furnish additional yard facilities at or near Bloomington. As the price of property in Bloomington prohibited the construction of additional tracks there, a large supplementary yard was constructed at Normal, 3 miles north of Bloomington with capacity of 660 cars, where it may be necessary to locate the main shops of this company.

A new ten-stall engine house was constructed at Venice, and the engine houses at Kansas City and Brighton Park were extended to care for larger locomotives. The former outbound freight house at Chicago was enlarged, and is now used as an inbound house, and the former inbound as an outbound house.

Three combined passenger and freight stations were constructed at Vandalia, Jerseyville and Washburn, a new passenger station was constructed at Pontiac, and the Pontiac freight station enlarged. New ice houses were built at Springfield and Dwight, and extensive changes were made in the ice houses at Roodhouse to facilitate the icing of refrigerator cars.

Thirty high semaphores signals were erected at switches, making in all two hundred and two switches so equipped.

Five interlocking plants were constructed, making a total of thirty.

Two train order signals were erected, making a total of eighty-five.

Two hundred and twenty-three electric block signals, covering 291 miles of single main track, have been installed, making in all to date three hundred and thirty electric block signals, covering 3-5 miles of single main track.

One hundred and two derricks operating through pipe line from main track switches have been installed at passing sidings. One new coaling station has been constructed at Brighton Park. It is equipped with conveying machinery for handling coal and sand, and with weighing device similar to the eleven stations previously constructed. A contract has been awarded for a similar station to be erected at Varna.

Two new water tanks have been erected, one at Lawndale, and one at Godfrey. Five water columns have been erected at Brighton Park, Lawndale, Odessa and Godfrey. The source of water supply for Joliet and Sag Bridge has been changed, so that at each of these places, where the water was formerly very bad, good water has been obtained. New pumping machinery with gas engines has been installed at Louisiana and Lawndale, thus decreasing the cost of attendance for pumping water. The construction of a new reservoir for a water station south of Jacksonville is under way, and when completed soft water will be obtained, taking the place of very bad water now used at Jacksonville.

Traffic was interrupted by the freshets at Kansas City from May 31st to June 12th; on the Western Division just west of the crossing of the Missouri River, from June 3rd to June 16th; at the crossing of the Mississippi River from June 6th to June 17th, and between Granite City and East St. Louis, June 7th to June 20th. The loss in revenue alone during that month, owing to the interruption of traffic, amounted to over \$100,000. At the date of this report the damage has been largely repaired. The expense of operation has been largely increased by the excessive cost of material, and the general advance in wages throughout the country, as well as by the heavy expenditures on account of maintenance in excess of the normal requirements.

Referring to possible requirements in the future for further improvements, your attention is called to the fact that by the terms of its refunding mortgage of October 1st, 1899, the Chicago & Alton Railroad Company, leased by your company, is empowered to issue refunding bonds to an amount of \$5,000,000 in excess of the present total authorized issue of \$40,000,000, for the purpose of providing funds for future requirements for betterments made, undertaken or contracted for after January 1st, 1900.

In order that your company might enjoy the terminal facilities afforded at St. Louis on a footing of equality with

the other proprietary lines, it was deemed advisable for your company to become a member of The Terminal Railroad Association, and accordingly, by an agreement of date Dec. 16th, 1902, the Chicago & Alton Railway Company was admitted as a member and became the owner of one-fourteenth of the capital stock of the Terminal Company.

The Board desires to acknowledge the efficient work of the officers and employees of the company during the past year.
Respectfully submitted by order of the Board,

S. M. FELTON,
President.

THE CHICAGO & ALTON RAILWAY COMPANY—ASSETS AND LIABILITIES JUNE 30, 1903.

TABLE 1.

CAPITAL ASSETS—		CAPITAL LIABILITIES—	
Cost of railway, equipment, appurtenances and securities.....	\$65,230,517 18	Common stock.....	\$19,542,000 00
		Preferred stock.....	19,542,000 00
		First lien 3½% bonds, due July 1, 1950.....	\$2,000,000 00
		4% collateral trust notes due July 1, 1907.....	\$5,000,000 00
		Less unsold.....	1,368,000 00
	\$65,230 517 18		2,832,000 00
CURRENT ASSETS—		CURRENT LIABILITIES—	
Agents and conductors.....	\$476,442 04	Loans and bills payable.....	\$2,316,000 00
Cash.....	972 45 73	Traffic balances.....	112,000 00
Individuals and companies.....	701,188 92	Coupons matured but not presented.....	2,316 00
U. S. Government transportation.....	76,311 72	Interest on bonds due July 1, 1903.....	477,700 00
Material, fuel and supplies.....	335,008 80	Dividends due and unpaid.....	300,000 00
Bonds owned (cost).....	2,328,800 00	Dividends payable July 1, 1903.....	207,000 00
Balance of advances for betterments and improvements to the property of the Chicago & Alton Railroad Co. after deducting proceeds, from sale of bonds, property and other assets under lease, properly applicable thereto.....	616,671 92	Interest and dividends accrued to June 30, 1903, but not due.....	1,307,000 00
	\$5,507,269 13	Vouchers and pay-rolls.....	
CONTINGENT ASSETS—			\$5,031,670 00
Unadjusted accounts.....	\$231,850 21	DEFERRED LIABILITIES—	
	\$231,850 21	Unadjusted accounts.....	\$11,075 00
		CONTINGENT LIABILITIES—	
Total assets.....	\$70,969,636 12	Renewal and replacement funds.....	\$5,000 00
		Material and supplies under provisions of lease of April 1, 1900.....	\$60,000 00
			\$615,347 00
			\$70,400,100 00
		TOTAL LIABILITIES—	
		Balance to profit and loss (Table 3).....	\$49,438 43
		Total liabilities.....	\$70,969,636 12

THE CHICAGO & ALTON RAILWAY COMPANY—INCOME ACCOUNT FOR THE YEAR ENDING JUNE 30, 1903.

TABLE 2.

Operating expenses.....	\$6,625,195 64	Gross transportation receipts.....	\$10,071,000 00
Taxes.....	345,000 00	Other receipts.....	4,444 00
	\$6,970,195 64	Dividends on stocks owned.....	1,385,000 00
Other expenses.....	2,603 04	Interest on bonds owned.....	240,000 00
Rentals payable under lease of April 3, 1900, as detailed in Table 4 in pamphlet.....	2,996,588 23		
Interest on loans and open accounts.....	123,913 06		
One year's interest on first lien 3½ per cent bonds.....	770,000 00		
One year's interest on 4 per cent collateral trust notes, outstanding.....	97,004 45		
One year's proportion of discount on 4 per cent collateral trust notes sold.....	29,728 00		
Dividends on preferred stock, viz.: Two per cent paid January 2, 1903.....	390,880 00		
Two per cent payable July 1, 1903.....	390,880 00		
Balance to profit and loss (Table 3).....	69,280 40		
	\$11,841,162 82		\$11,841,162 82

THE CHICAGO & ALTON RAILWAY COMPANY—PROFIT AND LOSS JUNE 30, 1903.

TABLE 3.

Balance, June 30, 1903.....	\$569,438 43	Balance June 30, 1902.....	\$500,134 00
	\$569,438 43	Balance from income account (Table 2).....	\$68,328 43

Union Carbide Co.—New Plant.—See report of Consolidated Lake Superior Co. on page 1532.—V. 71, p. 920.

United Gas Improvement Co.—Results in Philadelphia.—See Equitable Illuminating Gas Light Co. of Philadelphia, above.—V. 77, p. 1229, 255.

United States Glass Co.—Plan Approved.—The shareholders voted on Oct. 28 almost unanimously to approve the plan for reducing the capital stock and for issuing \$770,000 of first mortgage 5 per cent bonds. See V. 77, p. 1229.

Washington Match Co.—Judge Hanford, in the Federal Court at Spokane, on Oct. 28, appointed Frank B. Cole of Tacoma as receiver of the property. The company has never made any matches and its methods were declared by Judge Snell to be "reeking in fraud." Cash received for stock stated as \$95,000.—V. 76, p. 595.

Weaver Coal & Coke Co., West Va.—New President.—Charles W. Roberts has been elected President to succeed Henry E. Weaver, who resigned, but who still owns a con-

trolling interest in the stock of the company, and will be First Vice-President and General Manager.—V. 76, p. 1266.

—Attention is called to the advertisement of Lawrence Barnum & Co., on page xii, offering an attractive list of railroad, municipal and corporation bonds. In addition to number of "gilt-edge" securities, the list includes some issues which at the prices offered will yield about five per cent on the investment.

—The Engineering Company of America, under direction of Henry E. Knox Jr., Southern Manager at Charlotte, N. C., has just completed the installation of a water-works system for the Belton Mills at Belton, S. C. Similar plants are to be constructed by this company at Anderson and Greenville, S. C.

—Two hundred and fifty thousand dollars of City of Houston, Pa., school 4s are offered for sale by E. D. Shugart & Co. Details are given in an advertisement on page x.

The Commercial Times.

COMMERCIAL EPITOME.

FRIDAY NIGHT, Oct. 30, 1903.

The general business situation has undergone little change. The spirit of caution that has dominated buyers' operations in the past has in most cases continued quite pronounced. Merchants quite generally report that the orders being placed are almost exclusively against such supplies as are needed to cover well-defined current wants. As a general rule the tendency of market prices appears to be towards a lower basis; and this fact, coupled with the monetary situation, naturally tends to restrict active trading. Unsettled conditions have continued to exist in the pig iron market, due largely to the keen competition from the Southern furnaces for business. The shutting-down of the Montana mines by the Amalgamated Copper Co. was followed by a sharp upturn in prices for copper, but at the higher values the market drags. During the week prices for wheat yielded slightly, and considerable business was transacted with exporters.

Lard on the spot has held fairly steady but the volume of business transacted has been small, exporters doing practically nothing and refiners appeared to have their wants for the present supplied. The close was dull at 7-10c. for prime Western, and 6-50c@6-75 for prime City. Refined lard has had a limited sale with prices holding to a steady basis, closing at 7-10c. for refined for the Continent. Speculation in lard for future delivery has been quiet. There has been some buying by packers to cover contracts, and this has held the market steady in the face of full receipts of hogs. The close was quiet.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
October delivery.....	6-55	6-52½	6-52½	6-50	6-52½	6-45
January delivery.....	6-70	6-67½	6-65	6-65	6-72½	6-70
May delivery.....	6-77½	6-75	6-72½	6-72½	6-77½	6-71½

Pork has had a fairly active sale in the local market and prices have been steady at \$12 75@13 35 for mess, \$14 50@16 00 for short clear and \$19 for family. Cut meats have been in fairly brisk demand and with limited offerings prices have been firm, closing at 5½c. for pickled shoulder, 11@11½c. for pickled hams and 9½@10½c. for pickled bellies 14@10 lbs. average. Beef has been quiet but steady at \$8 75@9 00 for round, \$9 50@10 35 for packet, \$10@10 50 for family and \$10½@17 for extra India mess in tins. Tallow has dragged, closing flat at 4½c. Stearins have been neglected, closing at 6c. for lard stearine and 7c. for oleo stearine. Cottonseed oil has been firm, owing to slow movement of seed, closing at 38½@39c., according to delivery. Butter has been firmer, influenced by a fair trade demand and smaller receipts, closing at 16@22½c. for creamery. Cheese has been in full supply and there has been an easier tone to the market, prices at the close ranging from 9@11½c. for State factory, full cream. Fresh eggs have advanced on light receipts, closing at 26c. for best Western.

Brazil grades of coffee have been in fairly active demand. Importers having done a fairly large business with Brazil, and the tendency of prices has been towards a better basis. The distributing trade has been limited, buyers showing a disposition to wait at the higher prices asked. The close was firm at 6½c. for Rio No. 7 and 7½@7¾c. for Santos No. 4. West India growings have had a limited sale at firm prices, closing at 6½@6¾c. for good Ccuta. Speculation in the market for contracts has been active. Large interests have been operating freely and the undertone has been firm, based on unfavorable crop news from Brazil. The close was active and higher. Following are the closing asked prices:

Dec.....	5-50c.	Feb.....	5-85c.	July.....	6-20c.
Jan.....	5-70c.	March.....	5-95c.	Sept.....	6-30c.
Feb.....	5-75c.	May.....	6-15c.		

Raw sugars have had a limited sale at steady prices. The close was dull at 8½c. for centrifugals, 96 deg test, and 8¾c. for unscovado, 89 deg. test. Refined sugar has been quiet and unchanged at 4-70@4 75c. for granulated. Spices have been firm. Teas have been in good demand and firm.

Leaf tobacco has been fairly active, there being a good steady demand, desirable grades especially being wanted, and prices have been firm. Sales for the week include 3,000 cases, 1908 crop, Wisconsin at prices ranging from 16c. to 23c., according to quality. Sumatra tobacco has been in better demand and steady. Havana tobacco has had a fair sale at flat values.

Offerings of Straits tin have increased, and with only a limited demand prices have weakened to 25-62½@25 87½c. Tin copper has advanced, but at the higher prices business has been dull, closing at 14c. for Lake and 13 75c. for electrolytic. Lead has been quiet and unchanged at 4 50c. Spelter has been firm at 6-12½c. Pig iron has been quiet and unsettled, closing at \$15 50@16 00 for No. 1 Northern.

Refined petroleum has advanced, closing at 9 30c. in bbls., 11 50c. in cases and 9 30c. in bulk. Naphtha has been unchanged at 12 40c. Credit balances have been firmer, closing at \$1 77 3/4 for spirits turpentine has been quiet but steady, closing at 69½@70c. Resins have advanced for low grades to 70c. for common and good strained. Hops have been in demand and steady. Wool has had a fair sale; prices have been firm.

COTTON.

FRIDAY NIGHT, October 30, 1903.

THE MOVEMENT OF THE CROP as indicated by our telegrams from the South to-night, is given below. For the week ending this evening the total receipts have reached 398,952 bales, against 824,380 bales last week and 803,997 bales the previous week, making the total receipts since the 1st of Sept., 1903, 1,979,581 bales, against 2,356,976 bales for the same period of 1903, showing a decrease since Sept. 1, 1903 of 277,395 bales.

Receipts at—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston.....	15,343	22,889	44,984	17,171	22,918	22,559	148,864
Sab. Pass. &c.	.....	.....	.....	.....	.....	3,327	3,327
New Orleans.....	11,141	14,368	20,738	17,072	14,384	16,170	92,771
Mobile.....	2,321	2,958	1,660	4,354	3,131	2,012	16,436
Pensacola, &c.	.....	.....	.....	.....	.....	7,722	7,722
Savannah.....	10,781	10,156	11,250	10,915	9,810	11,262	64,174
Brunswick, &c.	.....	.....	.....	.....	.....	7,368	7,368
Charleston.....	2,122	2,392	2,443	2,166	1,353	3,086	13,562
Pt. Royal, &c.	.....	.....	.....	.....	.....	19	19
Wilmington.....	3,682	6,012	1,712	2,260	5,033	5,470	24,189
Wash'ton, &c.	.....	.....	.....	.....	.....	26	26
Norfolk.....	2,977	3,893	4,544	4,118	3,264	4,404	23,200
N't News, &c.	.....	.....	.....	.....	.....	162	162
New York.....	.....	50	.....	.....	.....	50	50
Boston.....	.....	.....	.....	.....	.....	54	54
Baltimore.....	.....	.....	.....	.....	.....	378	378
Philadelph., &c.	.....	50	100	.....	.....	.....	150

Tot. this week. 48,367 62,166 87,431 59,056 59,913 53,019 398,952

The following shows the week's total receipts, the total since Sept. 1, 1903, and the stocks to-night, compared with last year.

Receipts to Oct. 30	1903.		1902.		Stock.	
	This week.	Since Sep. 1, 1903.	This week.	Since Sep. 1, 1902.	1903.	1902.
Galveston.....	145,364	661,446	92,286	740,694	174,911	163,950
Sab. P. &c.	3,327	8,999	2,107	10,212	.....	.....
New Orleans.....	92,771	361,511	93,960	516,921	146,698	192,266
Mobile.....	16,436	73,277	11,170	61,091	32,201	20,175
Pensacola, &c.	7,722	20,728	7,564	23,171	.....	.....
Savannah.....	64,174	436,830	47,322	484,880	100,723	103,738
Brunswick, &c.	7,368	23,135	3,107	35,891	7,998	6,819
Charleston.....	13,562	82,233	13,235	106,928	13,868	16,262
Pt. Royal, &c.	19	600	.....	14	.....	.....
Wilmington.....	24,189	157,137	14,307	169,611	32,177	28,726
Wash'ton, &c.	26	172	8	126	.....	.....
Norfolk.....	23,200	140,914	16,548	135,702	12,931	19,633
N't News, &c.	162	1,336	204	6,863	.....	.....
New York.....	50	1,841	318	1,904	80,905	51,172
Boston.....	54	1,462	968	4,570	15 00	26,000
Baltimore.....	378	1,203	1,102	3,625	5,773	8,540
Philadelph., &c.	150	1,559	545	4,770	2,864	4,075
Totals.....	398,952	1,979,581	304,721	2,256,976	625,089	608,446

In order that a comparison may be made with other years, we give below the totals at leading ports for six seasons.

Receipts at—	1903.	1902.	1901.	1900.	1899.	1898.
Galveston, &c.	145,364	92,286	113,611	108,960	79,769	133,821
New Orleans.....	92,771	93,960	120,976	100,394	59,636	94,929
Mobile.....	16,436	11,170	9,393	5,907	7,935	18,420
Savannah.....	64,174	47,322	70,642	35,373	29,033	69,668
Charleston, &c.	13,562	13,235	10,996	11,245	8,223	30,418
Wilmington.....	24,189	14,315	12,296	6,700	13,372	20,635
Norfolk.....	23,200	16,548	32,048	13,354	13,328	33,338
N. News, &c.	162	204	534	2,420	884	723
All others.....	15,722	13,604	35,794	21,105	13,315	54,179
Tot. this wk.	398,952	304,721	408,200	400,483	234,900	457,181
Since Sept. 1	1,979,581	2,256,976	2,011,712	2,220,585	2,026,787	2,375,833

The exports for the week ending this evening reach a total of 260,909 bales, of which 173,742 were to Great Britain, 14,490 to France and 72,677 to the rest of the Continent. Below are the exports for the week and since Sept. 1, 1903.

Exports from—	Week Ending Oct. 30, 1903.				From Sep. 1, 1903, to Oct. 30, 1903			
	Great Brit'n.	France	Continent.	Total.	Great Britain.	France	Continent.	Total.
Galveston.....	61,618	9,186	950	71,601	155,671	87,250	68,967	311,817
Sab. Pass. &c.	.....	.....	.....	.....	.....	.....	8,933	8,933
New Orleans.....	24,914	.....	23,890	48,804	109,386	33,306	65,596	200,288
Mobile.....	10,915	.....	50	10,965	17,918	.....	4,541	22,459
Pensacola.....	.....	.....	7,500	7,500	7,390	500	12,550	20,440
Savannah.....	20,616	4,650	20,266	45,532	49,201	13,864	154,483	217,548
Brunswick.....	8,817	.....	.....	8,817	11,239	.....	.....	11,239
Charleston.....	.....	.....	.....	.....	.....	.....	6,700	6,700
Port Royal.....	.....	.....	.....	.....	.....	.....	.....	.....
Wilmington.....	10,000	.....	.....	10,000	14,900	6,560	102,860	124,400
Norfolk.....	1,000	.....	.....	1,000	1,000	.....	.....	1,000
N't News, &c.	.....	.....	.....	.....	200	.....	.....	200
New York.....	12,411	704	18,879	31,994	193,393	20,418	60,548	274,359
Boston.....	3,009	.....	183	3,192	4,847	.....	840	5,687
Baltimore.....	4,707	.....	.....	4,707	19,480	.....	18,819	38,299
Philadelphia.....	4,325	.....	.....	4,325	13,468	.....	950	14,418
San Fran., &c.	.....	1,000	.....	1,000	.....	.....	1,900	1,900
Total.....	173,742	14,490	72,677	260,909	617,671	146,530	56,435	820,636
Total 1903.....	110,114	28,749	1,468	130,331	617,671	146,530	56,435	820,636

In addition to above exports, our telegrams to-night also give us the following amounts of cotton on shipboard, not cleared, at the ports named. We add similar figures for New York, which are prepared for our special use by Messrs. Lambert & Barrows, Produce Exchange Building.

Oct. 30 at—	ON SHIPBOARD, NOT CLEARED FOR—					Leaving stock.
	Great Britain	France	Germany	Other Foreign	Coast-wise.	
New Orleans	16,240	23,365	8,573	13,066	100	58,384
Galveston	16,764	42,791	36,983	21,149	7,236	124,883
Savannah	1,000	7,450	24,400	—	4,000	36,850
Charleston	—	—	10,000	—	—	10,000
Mobile	—	6,326	7,050	—	2,000	15,376
Baltimore	—	—	—	—	5,500	5,500
New York	12,000	—	5,000	2,000	—	19,000
Other ports	15,000	—	12,000	4,000	—	31,000
Total 1903.	60,994	79,872	101,976	39,215	18,836	300,893
Total 1902.	67,583	16,532	46,736	21,543	16,697	169,096
Total 1901.	64,216	20,232	35,621	22,911	20,947	183,927

Speculation in cotton for future delivery has been active and fluctuations in prices have been frequent and violent; the general tendency, however, has been towards a higher basis. Early in the week prices advanced sharply; they showed a gain on Monday of about $\frac{1}{4}$ ¢. to $\frac{3}{8}$ ¢. per pound. The advices received from the South reported cold weather and frosts. These reports appeared to create a stampede among bear interests and resulted in a general rush on the part of shorts to cover contracts. On Tuesday and Wednesday there was an easier tendency to values, all of Monday's advance being lost. An estimate of 11,350,000 bales as the yield of the present cotton, made by an English merchant who has been traveling through the cotton belt, operated against the market, and another depressing factor was the heavy movement of the crop, reflecting the recent active buying by exporters. Thursday the market again turned firmer. Another authority gave out an estimate placing the yield at only 10,300,000 bales; this served to stimulate the buying and carried prices up rather sharply. The Southern markets during the week have been reported as holding firm, with continued buying by exporters, but the demand from domestic spinners has lagged. To-day the market was active and higher. The feature was predicted cold weather for the southwestern section of the cotton belt, on which there was good buying, and prices advanced sharply. The close was barely steady at a moderate reaction from top prices, final figures for the day showing a net gain of 6¢11 points. Cotton on the spot has advanced, closing at 10.50¢. for middling uplands.

The rates on and off middling, as established Nov. 30, 1903, by the Revision Committee, at which grades other than middling may be delivered on contract, are as follows.

Fair	1.30	Good Middling Tinged	1.30	Even
Middling Fair	0.98	Strict Good Mid. Tinged	0.90	0.30
Strict Good Middling	0.82	Strict Middling Tinged	0.06	0.08
Good Middling	0.44	Middling Tinged	0.15	0.05
Strict Low Middling	0.14	Strict Low Mid. Tinged	0.24	0.05
Low Middling	0.28	Middling Stained	0.50	0.05
Strict Good Ordinary	0.72	Strict Low Mid. Stained	1.06	0.05
Good Ordinary	1.00	Low Middling Stained	1.50	0.05

On this basis the official prices for a few of the grades for the past week—Oct. 24 to Oct. 30—would be as follows.

UPLANDS.	Sat.	Mon	Tues	Wed	Th.	Fri.
Good Ordinary	9.20	9.45	9.35	9.35	9.35	9.50
Low Middling	9.28	10.07	9.97	9.97	9.97	10.13
Middling	10.20	10.45	10.35	10.35	10.35	10.50
Good Middling	10.64	10.89	10.79	10.79	10.79	10.94
Middling Fair	11.16	11.41	11.31	11.31	11.31	11.46
GULF.	Sat.	Mon	Tues	Wed	Th.	Fri.
Good Ordinary	9.45	9.70	9.60	9.60	9.60	9.75
Low Middling	10.07	10.32	10.22	10.22	10.22	10.37
Middling	10.48	10.70	10.60	10.60	10.60	10.75
Good Middling	10.89	11.14	11.04	11.04	11.04	11.19
Middling Fair	11.41	11.66	11.56	11.56	11.56	11.71
STAINED.	Sat.	Mon	Tues	Wed	Th.	Fri.
Low Middling	8.70	8.95	8.85	8.85	8.85	9.00
Middling	9.70	9.95	9.85	9.85	9.85	10.00
Strict Low Middling Tinged	9.86	10.11	10.01	10.01	10.01	10.16
Good Middling Tinged	10.20	10.45	10.35	10.35	10.35	10.50

The quotations for middling upland at New York on Oct. 30 for each of the past 33 years have been as follows.

1903.....	10.50	1898.....	9	1887.....	6.94	1879.....	6.114
1902.....	8.45	1897.....	84	1886.....	94	1878.....	94
1901.....	7.15	1896.....	84	1885.....	94	1877.....	114
1900.....	94	1895.....	84	1884.....	94	1876.....	114
1899.....	74	1894.....	84	1883.....	104	1875.....	144
1898.....	516	1893.....	10	1882.....	10116	1874.....	144
1897.....	6	1892.....	104	1881.....	114	1873.....	15
1896.....	715	1891.....	915	1880.....	1116	1872.....	20

Note.—On Oct. 1, 1874, grades of cotton as quoted were changed. According to the new classification Middling was on that day quoted $\frac{1}{8}$ ¢. lower than Middling of the old classification.

MARKET AND SALES.

Date	SPOT MARKET CLOSING.	FUTURES MARKET CLOSING.	SALES OF SPOT & CONTRACT			
			Am. sup.	Con. sup.	Gen. sup.	Reis.
Saturday	Quiet, 10 p. ad.	Firm	—	288	—	288
Monday	Steady, 25 p. ad.	Steady	—	200	1,800	2,000
Tuesday	Quiet, 10 p. ad.	Steady	—	246	—	246
Wednesday	Quiet	Steady	—	568	—	568
Thursday	Quiet	Firm	—	305	—	305
Friday	Quiet, 15 p. ad.	Steady	—	62	1,300	11,323
Total					1,770	13,100

FUTURES.—Highest, lowest and closing prices at New York.

October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
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October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
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June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
January	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
October	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
September	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
August	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
July	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
June	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
May	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
April	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
March	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40
February	9.75	9.52	10.25	10.15	9.52	10.15	10.15	9.75	10.40

Sales.		Since Sept. 1—		Sales.	
1901—Nov. 1.....	537,940	1901—Nov. 1.....	2,905,816		
1902—Nov. 3.....	452,686	1900—Nov. 2.....	3,155,104		
1902—Nov. 3.....	354,171	1899—Nov. 3.....	2,985,655		
1902—Nov. 4.....	556,447	1898—Nov. 4.....	2,638,766		

New Orleans, Louisiana.—The week's rainfall has been six hundredths of an inch, on two days. The thermometer has averaged 63.

Shreveport, Louisiana.—There has been rain on one day during the week to an inappreciable extent. The thermometer has ranged from 40 to 76, averaging 58.

Columbus, Mississippi.—Frost during the early part of the week was of benefit and did little or no damage. Picking is going on very generally and the movement is heavy. We have had rain on one day the past week, the rainfall being twenty-one hundredths of an inch. Average thermometer 50, highest 70 and lowest 30.

Vicksburg, Mississippi.—There has been but a trace of rain during the week. The thermometer has averaged 57, ranging from 39 to 76.

Helena, Arkansas.—Frosts have not killed vegetation. Picking is going on rapidly. Rain has fallen on one day of the week, to the extent of three hundredths of an inch. Average thermometer 53.5, highest 70, lowest 32.

Memphis, Tennessee.—Picking is active and general. Killing frost occurred on the 24th, or thirty-four days earlier than last year, and four days in advance of the average date. We have had no rain during the past week. The thermometer has averaged 53.5, the highest being 67.9 and the lowest 39.4.

Montgomery, Alabama.—One light frost has occurred. We have had no rain during the week. Average thermometer 56, highest 76, lowest 36.

Selma, Alabama.—Killing frost occurred in this vicinity on Sunday. There has been no rain the past week. The thermometer has averaged 53, the highest being 83 and the lowest 33.

Mobile, Alabama.—Killing frost occurred in most sections on Sunday, but little damage resulted. Picking is progressing well and has been completed in most sections. We have had rain on one day during the week, the rainfall being eleven hundredths of an inch. The thermometer has ranged from 37 to 75, averaging 59.

Madison, Florida.—There has been no rain during the week. The thermometer has averaged 65, ranging from 50 to 84.

Augusta, Georgia.—We have had only a trace of rain during the week. The thermometer has ranged from 33 to 73, averaging 50.

Savannah, Georgia.—It has rained on two days of the week, to the extent of twenty-one hundredths of an inch. Average thermometer 57, highest 77 and lowest 33.

Stateburg, South Carolina.—Several light frosts have occurred, but Wednesday we had heavy frost, partly killing on low grounds. There has been rain on two days during the week, the precipitation being ninety-five hundredths of an inch. The thermometer has averaged 55, ranging from 35 to 75.

Greenwood, South Carolina.—There has been no rain during the week. Average thermometer 60, highest 68, lowest 53.

Charleston, South Carolina.—Rain has fallen on two days of the week, to the extent of thirty-five hundredths of an inch. The thermometer has ranged from 40 to 76, averaging 55.

Charlotte, North Carolina.—The week's rainfall has been ninety-seven hundredths of an inch. The thermometer has averaged 49, the highest being 70 and the lowest 34.

The following statement we have also received by telegraph, showing the height of the rivers at the points named, at 3 o'clock Oct. 29, 1903, and Oct. 30, 1902.

	Oct. 29, '03	Oct. 30, '02
New Orleans.....	Above zero of gauge.	5.0
Memphis.....	Above zero of gauge.	9.7
Nashville.....	Above zero of gauge.	0.9
Shreveport.....	Above zero of gauge.	0.1
Vicksburg.....	Above zero of gauge.	15.0

INDIA COTTON MOVEMENT FROM ALL PORTS.—The receipts of cotton at Bombay and the shipments from all India ports for the week ending Oct. 29, and for the season from Sept. 1 to Oct. 29 for three years have been as follows:

	1903.		1902.		1901.	
Receipts at—	Week	Since Sept. 1	Week	Since Sept. 1	Week	Since Sept. 1
Bombay	4,000	42,000	5,000	26,000	12,000	52,000

Imports from—	For the week			Since September 1.		
	Gross	Net	Total	Gross	Net	Total
Bombay—						
1903.....				2,000	20,000	22,000
1902.....				1,000	17,000	18,000
1901.....					16,000	16,000
Calcutta—						
1903.....					4,000	4,000
1902.....					5,000	5,000
1901.....					3,000	3,000
Madras—						
1903.....		2,000	2,000		3,000	3,000
1902.....					1,000	1,000
1901.....					2,000	2,000
All others—						
1903.....		1,000	1,000		20,000	20,000
1902.....		1,000	1,000		14,000	14,000
1901.....					17,000	17,000
Total all						
1903.....		3,000	3,000		47,000	49,000
1902.....		1,000	1,000		41,000	45,000
1901.....					35,000	35,000

ALEXANDRIA RECEIPTS AND SHIPMENTS OF COTTON.—Through arrangements we made with Messrs. Charnal, Benachi & Co., of Alexandria, we now receive a weekly cable of the movements of cotton at Alexandria, Egypt. The following are the receipts and shipments for the past week and for the corresponding week of the previous two years.

Alexandria, Egypt, October 29.	1903.		1902.		1901.	
Receipts (cantars)*—						
This week.....	310,000		262,500		262,000	
Since Sept. 1.....	1,284,784		1,524,453		1,500,721	
Exports (bales)—						
To Liverpool.....	8,250	4,499	7,627	49,849	7,900	31,200
To Manchester.....	5,000	12,914	5,851	19,203	4,150	11,000
To Continent.....	5,250	3,407	5,678	43,226	9,911	15,000
To America.....	770	2,549	1,775	8,437	3,000	10,000
Total exports.....	19,250	91,009	20,814	112,814	24,960	111,200

* A cantar is 98 pounds.

MANCHESTER MARKET.—Our report received by cable to-night from Manchester states that the market is firm for yarns and steady for shirtings. The demand for both India and China is improving. We give the prices for to-day below and leave those for previous weeks of this and last year for comparison.

	1903.				1902.			
	32s Op.	32s Sp.	32s 1/2	32s 3/4	32s Op.	32s Sp.	32s 1/2	32s 3/4
Sep 25 3/4.....	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2
Oct. 2 3/4.....	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2
" 9 1/4.....	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2
" 16 1/4.....	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2
" 23 1/4.....	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2
" 30 1/4.....	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2	92 1/2

GOVERNMENT WEEKLY COTTON REPORT.—The regular weekly cotton report as issued by the United and Crop Division of the U. S. Weather Bureau through the New Orleans Weather Office for the week ended October 26, and telegraphed to the N. Y. Cotton Exchange, was as follows:

Exceptionally favorable weather for gathering cotton prevailed throughout the week, and work was pushed. Picking is well completed in most sections, while Arkansas reports about half the crop picked. Texas reports about one third of the crop still in the field over the northeast portion, while picking is completed or nearly completed in other portions. Heavy killing frost occurred over the greater portion of the cotton belt and frost was reported from nearly all sections.

DOMESTIC EXPORTS OF COTTON MANUFACTURES.—We give below a statement showing the exports of domestic cotton manufactures for September and for the nine months ended Sept. 30, 1903, and for purposes of comparison like figures for the corresponding periods of the previous year are also presented.

Quantities of Manufactures of Cotton (colored and uncolored) Exported to—	Month ending Sept. 30, 1903.	Month ending Sept. 30, 1902.	9 mos. ending Sept. 30, 1903.	9 mos. ending Sept. 30, 1902.
United Kingdom.....	280,100	178,810	8,360,200	8,360,200
France.....	3,077	6,600	42,495	42,495
Germany.....	118,900	18,467	1,474,615	1,474,615
Other Europe.....	50,707	10,841	508,100	508,100
British North America.....	1,760,800	1,210,110	12,978,870	12,978,870
Central America & Brit. Honduras.....	220,800	3,000	1,701,900	1,701,900
Mexico.....	231,000	293,800	2,200,000	2,200,000
Cuba.....	1,914,400	1,546,000	12,000,000	12,000,000
Other West Indies and Bermuda.....	38,400	16,910	270,700	270,700
Argentina.....	7,600	810,000	7,600,000	7,600,000
Chile.....	301,400	108,000	2,701,400	2,701,400
Colombia.....	58,000	2,400,000	18,000,000	18,000,000
Venezuela.....	708,300	383,100	4,947,400	4,947,400
Chinese Empire.....	8,277,000	23,750,000	107,000,000	107,000,000
British East Indies.....	739,400	7,500	6,811,100	6,811,100
Hong Kong.....	2,100	14,000	24,000	24,000
Japan.....	1,300	917,000	8,200,000	8,200,000
British Australasia.....	300,000	207,100	2,070,100	2,070,100
Philippine Islands.....	2,400	28,000	280,000	280,000
Other Asia and Oceania.....	30,000	50,000	400,000	400,000
British Africa.....	11,000	51,700	818,000	818,000
All other Africa.....				
Other countries.....				
Total yards of above.....	12,100,000	20,800,000	100,000,000	100,000,000
Total values of above.....	\$80,230	\$4,071,000	\$10,000,000	\$10,000,000
Value per yard.....	\$0.007	\$0.001	\$0.001	\$0.001
Values of other manufactures of Cotton Exported to—				
United Kingdom.....	\$77,500	\$95,800	\$784,900	\$784,900
Belgium.....	10,000	8,000	100,000	100,000
France.....	91,000	50,000	900,000	900,000
Germany.....	600	1,000	6,000	6,000
Netherlands.....	18,000	15,000	180,000	180,000
Other Europe.....	180,700	157,400	1,800,000	1,800,000
British North America.....	27,700	19,300	200,000	200,000
Central America & Brit. Honduras.....	45,000	45,477	450,000	450,000
Mexico.....	80,770	11,000	800,000	800,000
Cuba.....	20,000	15,000	200,000	200,000
Other West Indies and Bermuda.....	2,000	7,000	20,000	20,000
Argentina.....	2,000	1,000	20,000	20,000
Chile.....	2,000	1,000	20,000	20,000
Colombia.....	2,000	1,000	20,000	20,000
Venezuela.....	2,000	1,000	20,000	20,000
Chinese Empire.....	2,000	1,000	20,000	20,000
British East Indies.....	2,000	1,000	20,000	20,000
Hong Kong.....	2,000	1,000	20,000	20,000
Japan.....	2,000	1,000	20,000	20,000
British Australasia.....	2,000	1,000	20,000	20,000
Philippine Islands.....	2,000	1,000	20,000	20,000
Other Asia and Oceania.....	2,000	1,000	20,000	20,000
British Africa.....	2,000	1,000	20,000	20,000
All other Africa.....	2,000	1,000	20,000	20,000
Other countries.....	2,000	1,000	20,000	20,000
Total value of oth. manufact's of	\$8,500	\$4,000	\$40,000	\$40,000
Aggregate val. of all cotton goods	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000

NEW YORK COTTON EXCHANGE.—DEATH OF MR. CHARLES D. MILLER.—Mr. Charles Dexter Miller, a former member of the firm of Hopkins, Dwight & Co., and twice President of the New York Cotton Exchange, died at his home in Roselle, N. J., on Saturday from cerebral hemorrhage, after an illness of several years. Mr. Miller entered the employ of Hopkins, Dwight & Co. in the early sixties, later became a member of the firm and continued as such until his retirement because of ill-health in 1899. He was closely identified with the erection of the present Cotton Exchange Building. He was also for a time a member of the Board of Managers of the New York Produce Exchange, and retained his membership in both institutions until his death. He was also a member of the New York Chamber of Commerce and the New York Reform Club.

SHIPPING NEWS.—As shown on a previous page, the exports of cotton from the United States the past week have reached 260,000 bales. The shipments in detail, as made up from mail and telegraphic returns, are as follows:

		Total bales.
New York—To Liverpool, per steamers Bovio, 2,519 upland and 10 Sea Island—Cestrian, 8,442.....	Georgia, (additional), 500.....	11,511
To Hull, per steamer Toronto, 800.....		800
To Havre, per steamers La Gasconne (additional), 104.....		104
To Bremen, per steamers Kaiser, 250.....	Kurfurst, 4,100.....	4,400
To Antwerp, per steamer Kroonland, 2,103.....		2,103
To Genoa, per steamer Norge, 100.....		100
To Christiania, per steamer Capt. W. Menzies, 100.....		100
To Genoa, per steamer Prinzess Irene, 4,409.....		4,409
To Naples, per steamers Neapolitan Prince, 51.....	Prinzess Irene, 1,901.....	1,952
New Orleans—To Liverpool—Oct. 26—Steamer Senator, 6,968.....	Oct. 27—Steamer Atlantian, 2,956.....	Oct. 30—Steamer Louisiana, 4,000.....
To Bremen—Oct. 26—Steamer Martin, 12,076.....		12,076
To Barcelona—Oct. 27—Steamer Martin, 6,021.....		6,021
To Genoa—Oct. 27—Steamer Clara, 2,932.....		2,932
To Trieste—Oct. 27—Steamer Clara, 1,550.....		1,550
To Vera Cruz—Oct. 27—Steamer Malm, 50.....		50
Guantanamo—To Liverpool—Oct. 27—Steamer Irak, 22,171.....		22,171
Oct. 28—Steamer Mechaolion, 23,077.....		23,077
To Manchester—Oct. 28—Str. Pilar de Larrinaga, 15,670.....		15,670
To Bremen—Oct. 28—Steamer Monomoy, 9,136.....		9,136
To Hamburg—Oct. 28—Steamer Germania, 950.....		950
Manila—To Liverpool—Oct. 28—Steamer Meridian, 10,315.....		10,315
Manila—To Liverpool—Oct. 28—Steamer Telefon, 50.....		50
Manila—To Liverpool—Oct. 28—Steamer British Trader, 1,944.....	Cunaxa, 6,212 upland and 1,880 Sea Island.....	17,738
To Manchester—Oct. 28—Steamer Cunaxa, 2,007.....	Oct. 27—Steamer Easty, 3,940.....	Oct. 29—Str. Bawtry, 6,783.....
To Bremen—Oct. 28—Steamer Norman Isle, 4,600.....		4,600
To Rotterdam—Oct. 28—Steamer Anglo-Chilian, 11,469.....		11,469
To St. Petersburg—Oct. 28—Steamer Anglo-Chilian, 400.....		400
To Antwerp—Oct. 28—Steamers Norman Isle, 200.....		200
To Genoa—Oct. 28—Steamer Norman Isle, 2,150.....		2,150
To Oporto—Oct. 28—Steamer Anglo-Chilian, 200.....		200
To Barcelona—Oct. 28—Steamer British Trader, 100.....		100
To Genoa—Oct. 28—Steamer Federico, 6,522.....		6,522
To Trieste—Oct. 28—Steamer Federico, 800.....		800
Manila—To Manchester—Oct. 28—Steamer Aelius, 8,917.....		8,917
Manila—To Liverpool—Oct. 28—Str. Heesleyde, 10,000.....		10,000
Manila—To Liverpool—Oct. 28—Steamer Castano, 1,000.....		1,000
Manila—To Liverpool—Oct. 16—Steamers Sagamore, 500.....		500
Manila—To Liverpool—Oct. 26—Steamer Bethulia, 133.....		133
Manila—To Liverpool—Oct. 28—Str. Quermon, 4,797.....		4,797
Manila—To Liverpool—Oct. 28—Str. Haverford, 4,825.....		4,825
Manila—To Japan—Oct. 28—Steamer Siberia, 1,600.....		1,600
Total.....		260,000

Cotton freights at New York the past week have been as follows:

	Satur.	Mon.	Tues.	Wednes.	Thurs.	Fri.
Liverpool.....	15@18	15@18	15@18	15@18	15@18	15@18
Manila.....	20	20	18	18	18	18
Batavia.....	28*	28*	28*	28*	28*	28*
Manila, ad. c. d. f. e.....	30	30	30	30	30	30
Manila, ad. c. d. f. e.....	35	35	25	25	25	25
Manila, ad. c. d. f. e.....	31	31	21	21	21	21
Manila, ad. c. d. f. e.....	15	15	15	15	15	15
Manila, ad. c. d. f. e.....	28	28	28	28	28	28
Manila, ad. c. d. f. e.....	30	30	30	30	30	30
Manila, ad. c. d. f. e.....	30	30	30	30	30	30
Manila, ad. c. d. f. e.....	22½	22½	22½	22½	22½	22½
Manila, ad. c. d. f. e.....	27	27	27	27	27	27
Manila, ad. c. d. f. e.....	50	50	50	50	50	50

Quotations are cents per 100 lbs. * And 5 per cent.

LIVERPOOL.—By cable from Liverpool we have the following statement of the week's sales, stocks, &c., at that port.

	Oct. 9.	Oct. 16.	Oct. 23.	Oct. 30.
Bales of the week.....	37,000	35,000	35,000	35,000
Of which exporters took.....	2,000	2,000	2,000	3,000
Of which speculators took.....	1,000			1,000
Actual export.....	26,000	25,000	25,000	24,000
Forwarded.....	3,000	5,000	6,000	10,000
Total stock—Estimated.....	37,000	45,000	50,000	70,000
Of which American.....	127,000	119,000	133,000	158,000
Total stock of the week.....	55,000	44,000	64,000	85,000
Of which American.....	17,000	42,000	71,000	104,000
Actual stock at.....	17,000	28,000	32,000	35,000
Of which American.....	162,000	258,000	302,000	395,000
Of which American.....	141,000	238,000	275,000	388,000

The tone of the Liverpool market for spots and futures each day of the week ending Oct. 30 and the daily closing prices of spot cotton, have been as follows.

Spot.	Sat. day.	Monday.	Tuesday.	Wed. day.	Thursday.	Friday.
Market, 12:30 P. M.	Quiet.	Harden's.	Moderate demand.	Moderate demand.	Fair business doing.	Quiet.
Mid. Up'ds.	5 72	5 83	5 80	5 76	5 74	5 74
Sales.....	4,000	7,000	5,000	5,000	6,000	4,000
Spec. & exp.	400	500	500	500	500	500
Futures.						
Market opened.	Quiet at 102 pts. decline.	Strong at 62½ pts. advance.	Irreg. at 22½ pts. decline.	Steady at 40½ pts. decline.	Br'lyst'dy at 32½ pts. decline.	Steady at 30½ pts. advance.
Market, 4 P. M.	Br'lyst'dy at 140½ pts. decline.	Steady at 16-20½ pts. advance.	Irreg. at 50½ pts. decline.	Easy, unchanged at 2 pts. dec.	Steady at 20½ pts. decline.	Firm at 140½ pts. advance.

The prices of futures at Liverpool for each day are given below. Prices are on the basis of Uplands, Good Ordinary clause, unless otherwise stated.

	Sat. Oct. 24.	Mon. Oct. 26.	Tues. Oct. 27.	Wed. Oct. 28.	Thurs. Oct. 29.	Fri. Oct. 30.
	12½ P. M.	12½ P. M.	12½ P. M.	12½ P. M.	12½ P. M.	12½ P. M.
October.....	d. 5 50	d. 5 40	d. 5 65	d. 5 69	d. 5 63	d. 5 66
Oct.-Nov.....	d. 5 25	d. 5 35	d. 5 48	d. 5 53	d. 5 47	d. 5 45
Nov.-Dec.....	d. 5 29	d. 5 30	d. 5 42	d. 5 47	d. 5 42	d. 5 39
Dec.-Jan.....	d. 5 27	d. 5 28	d. 5 40	d. 5 45	d. 5 40	d. 5 37
Jan.-Feb.....	d. 5 15	d. 5 28	d. 5 39	d. 5 43	d. 5 38	d. 5 35
Feb.-Mar.....	d. 5 25	d. 5 26	d. 5 38	d. 5 43	d. 5 38	d. 5 35
Mar.-Apr.....	d. 5 25	d. 5 26	d. 5 38	d. 5 43	d. 5 38	d. 5 35
Apr.-May.....	d. 5 25	d. 5 26	d. 5 38	d. 5 43	d. 5 38	d. 5 35
May-June.....	d. 5 25	d. 5 26	d. 5 37	d. 5 42	d. 5 38	d. 5 35
June-July.....	d. 5 25	d. 5 26	d. 5 37	d. 5 42	d. 5 38	d. 5 35
July-Aug.....	d. 5 25	d. 5 26	d. 5 37	d. 5 42	d. 5 38	d. 5 35
Aug.-Sept.....	d. 5 25	d. 5 26	d. 5 37	d. 5 42	d. 5 38	d. 5 35

BREADSTUFFS.

FRIDAY, Oct. 30, 1903.

Only small supplies of winter-wheat flour have been coming forward to the New York market, as relatively better prices are being obtained from other markets; offerings consequently have been small and the tendency of values has been towards a better basis. Spring-wheat flour has had only a limited sale to local jobbers as they have been operating on a strictly hand-to-mouth basis. During the latter part of the week advices received from the mills reported a large business transacted, presumably for export. City mills have been in fair demand and steady. Rye flour has been dull and unchanged. Buckwheat flour has been more freely offered and prices have weakened slightly. Corn meal has been quiet.

Speculation in wheat for future delivery has been moderately active. Early in the week there was a fair advance in prices, especially for December delivery. Supplies available in the speculative markets for delivery on contracts were limited, and this had a tendency to create nervousness among shorts, and their buyers to cover advanced prices. Subsequently, however, the market turned easier, there being a natural reaction in prices after the most urgent demand from December shorts was supplied, and with the lessened speculative demand, prices sagged. At the lower values exporters appeared in the market as liberal buyers here and at outports, their purchases on Tuesday and Wednesday amounting to about 1,000,000 bushels, and this had a steady influence. On Thursday there was less activity to the export demand, and with quiet foreign advices and reports from the interior predicting a freer movement of the crop, especially of spring-wheat, prices again weakened, especially for the near-by deliveries. To-day the market was quiet but steady. The spot market was steady. The sales for export here and at outports were 160,000 bushels.

DAILY CLOSING PRICES OF NO. 2 RED WINTER WHEAT IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Cash wheat f. o. b.....	87½	87½	87½	87½	87½	87½
Dec. delivery in elev.....	87½	87½	87½	87½	87½	87½
May delivery in elev.....	82½	84	83½	83½	83½	83½
July delivery in elev.....	80	80½	80	80	80	80

DAILY CLOSING PRICES OF NO. 2 SPRING WHEAT IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Dec. delivery in elev.....	81½	81½	80½	80½	80½	80½
May delivery in elev.....	79½	79½	79	79½	79½	79

Indian corn futures have received a moderate amount of speculative attention, but there has been a gradual sagging of prices. The weather for the week has been favorable for drying, although on Wednesday predictions of rain, which failed to materialize, served to bring about a temporary advance in prices. Advices from the interior are to the effect that the feeding demand appears to be smaller than last year, and this, coupled with the fact that a large crop of corn has been grown, has an unfavorable influence against values on their present basis. The spot market has been easier and only a limited volume of business has been transacted here and at outports with exporters. To-day the market was quiet but steady.

DAILY CLOSING PRICES OF NO. 2 MIXED CORN IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Cash corn f. o. b.....	52½	52½	51½	51½	51½	51½
Dec. delivery in elev.....	51½	51	50½	51½	50½	50½
May delivery in elev.....	49½	49	48½	49½	48½	48½

DAILY CLOSING PRICES OF NO. 2 MIXED CORN IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Dec. delivery in elev.....	44½	44½	43½	43½	43½	43½
May delivery in elev.....	43½	43	42½	43½	42½	42½
July delivery in elev.....	42½	42½	42½	42½	42½	42½

Oats for future delivery at the Western markets have been moderately active. Prices for the week show a fractional decline. Weather conditions have been favorable for a full movement of the crop, and with only a moderate trade demand the market has shown a tendency to sag. Locally the spot market has been fairly active at steady prices. To-day the market was quiet and easier.

DAILY CLOSING PRICES OF OATS IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
No. 2 mixed in elev.....	42	42	42	42	42	42
No. 2 white in elev.....	43½	43½	43½	43½	43½	43½

DAILY CLOSING PRICES OF NO. 2 MIXED OATS IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Oct. delivery in elev.....	36½	36¾	36½	36½	36½	35½
Dec. delivery in elev.....	36½	36¾	36½	36½	36	35½
May delivery in elev.....	37½	36¾	36½	36½	36½	36½

Following are the closing quotations:

FLOUR.

Fluo.....	\$2 90	@ 2 95	Patent, winter.....	\$4 35	@ 4 60
Superfine.....	2 95	@ 3 10	City mills, patent.	4 75	@ 5 40
Extra, No. 2.....	3 10	@ 3 25	Rye flour, superfine	3 25	@ 3 60
Extra, No. 1.....	3 25	@ 3 40	Buckwheat flour.....	2 15	@ 2 40
Cleare.....	3 50	@ 4 15	Corn meal—		
Straights.....	4 00	@ 4 65	Western, etc.....	3 05	@ 3 15
Patent spring.....	4 75	@ 5 45	Brandywine.....	3 10	@ 3 15

GRAIN.

Wheat, per bush.....	c.	e.	Corn, per bush.....	c.	e.
H. Dul. No. 1.....	f. o.	b.	Western mixed.....	51.	¢ 3.
N.thern Dul. No. 1.....	f. o.	b. 91½	No. 2 mixed.....	f. o.	b. 51½
Red winter, No. 2.....	f. o.	b. 87½	No. 2 yellow.....	f. o.	b. 54½
Do. No. 3.....	f. o.	b. 84½	Do. No. 3.....	f. o.	b. 51½
Oats—Mixed, p. bush.....	40½	¢ 43½	Rye, per bush.....		
White.....	42	¢ 45	Western.....	56½	¢ 61
No. 2 mixed.....	43	¢ 45	State and Jersey.....	56	¢ 58
No. 2 white.....	43	¢ 44	Barley West.....	50	¢ 52
			Cracking.....	42½	¢ 47

Exports of Grain and Flour from Pacific Ports.—The exports of grain and flour from Pacific ports for the week ending Oct. 29, as received by telegraph, have been as follows: From San Francisco, Oct. 24, to the Cape, 198,000 bushels of wheat, and to China, 27 000 bbls. of flour; from Portland, Oct. 24, to the United Kingdom, 100,000 bushels of wheat.

Combining these figures with those for previous weeks, we have the following, which covers the exports to foreign countries for the period since July 1, 1903, comparison being made with the corresponding period of 1902.

Exports from	Flour,	Wheat,	Corn,	Oats,	Barley,	Eye.
	bush.	bush.	bush.	bush.	bush.	bush.
San Fran.	\$73,356	991,000	7,392	41,350	3,668,000	363
Pugot S'd.	\$18,000	196,800	7,400	119,000	34,000	-----
Portland.	\$29,700	496,000	-----	-----	99,000	-----
Total....	\$117,956	1,682,800	14,793	160,350	4,001,000	363
Tot. 1902.	1,056,077	7,901,908	4,755	154,638	5,189,570	111,205

For other tables usually given here see page 1510.

THE DRY GOODS TRADE.

NEW YORK, FRIDAY, P. M., Oct. 30, 1903.

There has been an increase in the volume of business done in cotton goods this week, and it shows that at least some buyers are more willing to purchase ahead than they have been of late, transactions in staples of considerable extent and including deliveries during the next three months coming more frequently under notice. Efforts to secure concessions in prices are still made, but the past week's doings have shown sellers firmer in attitude than before and more willingness on the part of some large buyers to pay current quotations. It is evident that the raw cotton situation is telling upon sentiment more strongly, that expectations of lower prices for cotton goods are being abandoned, and that if it were not for the check held upon operations by the financial division, department buyers would more generally increase their orders beyond current needs, to which so many of them are still confined. In some lines slight advances have been secured, and the irregularity lately existing in others has been eliminated. The market for woolen and worsted goods has been quiet in all departments. The piece-silks situation continues unsatisfactory; the current demand shows no improvement and prices are weak and irregular. The jobbing trade here and elsewhere is quiet, and complaints are heard of collections not being up to the average.

DOMESTIC COTTON GOODS.—The exports of cotton goods from this port for the week ending Oct. 26 were 1,210 packages, valued at \$80,509, their destination being to the points specified in the tables below:

NEW YORK TO OCT. 26.	1903.		1902.	
	Week	since Jan. 1	Week.	Since Jan.
Great Britain	6	1,549	26	1,786
Other European	8	1,128	8	1,000
China	-----	112,702	2,027	101,683
India	35	11,918	447	19,089
Arabia	-----	31,925	2,677	21,153
Africa	-----	8,095	819	10,379
West Indies	125	23,285	314	19,745
Mexico	55	2,518	3	1,860
Central America	272	9,893	297	8,344
South America	619	48,869	1,316	44,123
Other Countries	99	8,737	217	11,670
Total	1,510	280,619	8,051	240,823

The value of these New York exports since Jan. 1 to date has been \$11,875,380 in 1903, against \$11,093,169 in 1902.

Last week's business for export appears to have exhausted the China demand for four-yard sheetings for the time being, no further purchases being reported this week. More made amends for this, some good-sized transactions have put through at firm prices. A slight improvement in the demand for ducks is reported; brown osenburses continue quiet, moderate extent, but prices are maintained in fine medium grades, of which there are only limited stocks on hand. Lower grades show some irregularity. Wide sheetings, sheets and pillow cases are very firmly held and frequently sold ahead. Denims have shown some improvement in demand at steady prices. Ticks are firm in desirable qualities. Plaid also are firm, being generally well sold up. Other coarse, colored cottons are quiet and unchanged in price. Cotton flannels and blouses are without special feature. A fair business in printed calicoes is reported for export, but home buying has been confined to limited quantities. Stocks in first hands are well under control and prices are firm. The market for staple and dress style ginghams is in very satisfactory condition, the demand keeping stocks clean and prices firm. The tone of the market for print cloths is firmer, with more doing in odd goods at an occasional advance of 1-16c. Regulars are quiet but very firm at 8 1/2c.

WOOLEN GOODS.—The reorder business in men's wear woolen and worsted fabrics in light-weights makes but slow progress, the business done this week showing only a slight increase in volume. Clothiers are still complaining about late deliveries of sample pieces on early purchases regarding their operations in made-up garments and preventing them from fairly testing their trade. This is doubtless talking upon the demand for piece goods. There is nothing more satisfactory than of late in the worsted goods situation. The demand is poor but there is so much curtailment of production of men's-wear worsteds that stocks are not accumulating to any extent. Such goods as are on hand are, however, very irregular in price. Leading lines of staple and fancy woolsens are in good condition and steady in price. Complaints of unsatisfactory business in overcoatings are still numerous, the demand continuing indifferent and price irregular. An average business for the time of year is reported in woolen and worsted dress goods, with a generally firm tone in the market.

FOREIGN DRY GOODS.—Fine grades of woolen and worsted dress goods, both plain and fancy, are in fair demand at sellers' prices. Business in silks is dull and prices without improvement. Ribbons are generally slow of sale and irregular in price. A moderate business is passing in linens at full prices. Burlaps are firm and in improved request.

Importations and Warehouse Withdrawals of Dry Cask

The importations and warehouse withdrawals of dry goods at this port for the week ending Oct. 29, 1908, and since January 1, 1908, and for the corresponding periods of last year are as follows:

[illegible]

STATE AND CITY DEPARTMENT.

The Chronicle.

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NEW YORK.

Index.

An index to all the news matter appearing in this Department for the period from July 4, 1903, to Sept. 26, 1903, inclusive, was published in the CHRONICLE of Oct. 3, 1903, pages 854, 855 and 856.

News Items.

Celina, Ohio.—Bonds Invalid.—The Federal Court at Toledo has declared invalid an issue of \$15,000 5% bonds put out in 1880 in aid of the Toledo Delphos & Burlington Railroad Company, holding that the law under which these bonds were issued was unconstitutional and that like legislation had been declared unconstitutional even prior to the enactment of that law. The suit was one brought in October, 1901, by the Eastport Savings Bank of Eastport, Me., which institution owned \$3,500 of these bonds.

Chicago, Ill.—Municipal Ownership to be Voted Upon.—The City Council on October 19, by a vote of 66 to 0, passed an ordinance providing for the submission of the so-called Mueller Municipal Ownership Act to a vote of the people at the election April 5, 1904. This Act provides "That every city of this State shall have the power to own, construct, acquire, purchase, maintain and operate street railways within its corporate limits, and to lease the same or any part of the same to any company incorporated under the laws of this State for the purpose of operating street railways for any period not longer than twenty years, on such terms and conditions as the Council shall deem for the best interests of the public."

Clarksville, Tenn.—Suit to Prevent Bond Issue.—Suit was instituted on October 17 in the Chancery Court by the Red River Iron Co. to prevent the issuance of the \$100,000 bonds voted Aug. 8, 1901, as a subscription to the stock of the Nashville & Clarksville RR., now Tennessee Central RR. The bill is a lengthy one and many illegalities are alleged.

Connecticut.—St. Louis Terminal Association Bonds Legal for Savings Banks.—William A. King, Attorney-General, in a very lengthy opinion just furnished to the Bank Commissioners, held the Terminal Railroad Association of St. Louis general mortgage refunding 4% sinking fund gold bonds of 1891, and the mortgage bonds heretofore issued which said general mortgage bonds are to retire at maturity, valid investments for savings banks of Connecticut.

These bonds, it will be remembered, together with bonds of three other roads, were added to the investment list by Chapter 147, Laws of 1903. Some doubt arose as to whether the bonds of the Terminal Association complied with all the conditions of the Act, especially as this corporation is not a dividend-payer. For that reason the Bank Commissioners asked the Attorney-General for an opinion on the subject. The stock of the Terminal Association is owned by fourteen companies who practically fix, it was alleged, the charges against themselves for using its terminal facilities, and, if dividends were paid, they would only go back to the companies from whose treasuries they had come in the shape of charges. The Attorney-General holds that the plain intent of the Legislature was to admit these bonds as legal investments, and that the paragraph making the payment of dividends a requisite does not apply in this instance.

Beaver, Colo.—Election to Elect Charter Delegates.—The Board of Aldermen has fixed upon December 8 as the date on which to hold an election for delegates to the new charter convention. As will be remembered, the charter, which was drawn up some months ago, failed to be adopted at the election held September 22.

New Jersey.—Miller Act Vetoed.—The Governor has vetoed the Miller bill passed at the recent special session of

the State Legislature, for the reason that the "Act is directly within the condemnation of the Court of Errors and Appeals in their recent decision setting aside the school law of 1902 as unconstitutional." The Miller bill sought to validate school districts composed of different municipalities formed under the so-called McKee school law, which was declared unconstitutional by the above-mentioned court. See V. 77, p. 851. The "Miller bill" must not be mistaken for the general school law (or "Colby bill") passed at the same session of the Legislature. The "Colby bill" was approved by the Governor on Oct. 19, 1903.

Portland, Me.—City Treasurer to Retire.—Mr. Geo. H. Libby, Treasurer and Collector of Portland, has decided to retire from office on Dec. 31, 1903. Mr. Libby has served his city long and faithfully, having seen thirty-nine years of continuous service in various capacities.

Topeka, Kan.—Appeal Taken in Water Bond Case.—The decision of the District Court (see V. 77, p. 103), in favor of the legality of the proposed issue of \$350,000 4% water bonds, has been carried on appeal to the State Supreme Court. The appeal was filed in that court on October 22.

West Allis, Wis.—Bond Litigation.—Suit prevented the issuance of the \$60,000 water and \$50,000 sewer bonds voted at the election held July 30. The action was brought by F. W. Henderson, who claimed that the election was not held according to law, in that 10 A. M. to 4 P. M. were the hours during which the polls were open, whereas the law says that in counties with a population of 300,000 or over the hours shall be from 6 A. M. to 7 P. M. Mr. Henderson also claimed that the new issue was void inasmuch as it exceeded the limit allowed by law. These contentions were upheld by the Court.

A new election was called for Sept. 8 to vote on issuing \$50,000 sewer and \$25,000 water instead of the \$110,000 bonds as above, but this election resulted in 186 votes being cast in favor of and 203 votes against the issue.

A third election was held October 19. This time the proposition was for \$50,000 water and \$30,000 sewer bonds, but this election also resulted against the issue.

Bond Calls and Redemptions.

Fifth Louisiana Levee District.—Bond Call.—J. T. McClellan, President Board of Commissioners, calls for payment November 8 at the New Orleans National Bank, New Orleans, bonds Nos. 316 to 374, inclusive, for \$1,000 each, and Nos. 51 to 70, inclusive, for \$500 each. Securities are dated Nov. 8, 1898.

New Orleans, La.—Premium Bonds Drawn.—The following premium bonds of the city of New Orleans were drawn by lot on Oct. 15, 1903 (for payment Jan. 15, 1904), this being the 113th allotment: Series 113, 524, 748, 882, 904, 1021, 1067, 1247, 1391, 1404, 1480, 1643, 1707, 1816, 1817, 1856, 2100, 2459, 2624, 2918, 3467, 3593, 3766, 4526, 4821, 4834, 5283, 5396, 5477, 5677, 5847, 5915, 6175, 6474, 6786, 7074, 7148, 7763, 7810, 7891, 7951, 8063, 8103, 8208, 8377, 8560, 9091, 9698, 9767, 9785. Series Nos. 6784 to 10,000 were never issued.

St. Louis County (P. O. Duluth), Minn.—Bonds Canceled.—This county has canceled \$30,000 4½% road and bridge bonds issued in 1891 and maturing in 1911; also \$3,000 4% road bonds maturing in 1916. Both of these issues were held in the sinking fund.

Bond Proposals and Negotiations this week have been as follows:

Alamance County (P. O. Burlington), N. C.—Bonds Re-awarded.—We are advised that the \$50,000 5% 30-year bonds awarded last May to N. W. Harris & Co., New York City, have been re-awarded to C. A. Webb & Co. of Asheville at 102 70.

Alexandria, Ont.—Debenture Sale.—Of the \$3,644 local improvement debentures offered on Oct. 15, \$3,589 were awarded to Geo. A. Stimson & Co. for \$3,705 and accrued interest. Securities mature part yearly for thirty years.

Allegheny, Pa.—Bond Issues.—The City Council recently passed ordinances providing for the issuance of the following bonds:

\$31,143 4% Shady Avenue improvement bonds. Date, Oct. 1, 1903. Maturity, Oct. 1, 1905.

\$9,040 4% Fleming Avenue improvement bonds. Date, Nov. 1, 1903. Maturity, Nov. 1, 1905.

Interest will be payable semi-annually at the office of the City Comptroller. Under the ordinances these bonds are to be issued and sold to the Sinking Fund Commission at par.

Alliance, Ohio.—Bonds Proposed.—The issuance of \$21,600 refunding bonds is being considered, according to local papers.

Appanoose County (P. O. Centerville), Iowa.—Bond Election.—An election will be held in this county, it is stated, to vote on the question of issuing \$30,000 additional court-house bonds.

Ashland, Ohio.—Bond Sale.—The highest bid received October 26 for the \$17,000 5% town-hall repair bonds described in V. 77, p. 351, was that of the First National Bank of Ashland at 103 765. The bids follow:

First Nat. Bank, Ashland.... \$17,521 00

W. J. Hayes & Sons, Clevel.... 17,500 00

Feder. Holzman & Co., Cin.... 17,350 00

N. W. Harris & Co., Chicago.... 17,340 00

Well, Roth & Co., Cincinnati.... 17,270 00

F. L. Fuller & Co., Cleveland.... 17,260 00

W. R. Todd & Co., Cin.... 17,265 00

Seasongood & Mayer, Cin.... \$17,321 00

Lamprecht Bros. Co., Clevel.... 17,191 00

New Ist Nat. B'k, Columbus.... 17,175 00

Spitzer & Co., Toledo.... 17,139 00

Union Sav. Bank & Tr. Co.... 17,080 00

S. A. Kean, Chicago.... 17,017 00

Ashland, Ore.—Bonds Voted.—This city on October 19, by a vote of 416 to 89, authorized the issuance of \$20,000 sewer bonds. Details of this issue have not yet been determined.

Atascosa County, Texas.—Bonds Not Yet Ready for Issuance.—We are advised that the details of the \$50,000 road bonds, voted some weeks ago, have not yet been determined, other than that they will carry 4% interest. The present bonded debt of the county is \$24,500. The assessed valuation is \$3,660,440. J. K. Lawhon is County Treasurer.

Atlanta, Ga.—Bond Offering.—The issuance of \$399,000 4% gold bonds to refund a like amount of 7 per cents due Jan. 1, 1904, has been authorized. Proposals for these bonds will be received until 12 M., December 1, by J. H. Goldsmith, City Comptroller. Denomination, \$1,000. Date, Jan. 1, 1904. Interest semi-annually in New York City and Atlanta. Maturity, Dec. 31, 1933. Certified check for 5% of the par value of bonds bid for, payable to Thos. J. Peeples, City Treasurer, required. Bonds are exempt from city taxes.

Ballard, Wash.—Bond Sale.—On Oct. 24 \$40,000, 30-year funding bonds were awarded to N. W. Harris & Co., Chicago, at 108-296 for 5 per cents. Denomination, \$1,000. Date, Nov. 2, 1903. Interest, semi-annual.

Ballston Spa, N. Y.—Bond Sale.—On October 26 this village sold at par to local parties an issue of \$7,000 3½% 1-7-year (serial) water bonds dated Nov. 1, 1903. Interest will be payable annually at the office of the City Treasurer. Denomination, \$500.

Barberton, Ohio.—Bond Offering.—Proposals will be received until 7 P. M., November 16, by W. F. Robinson, Village Clerk, for the following bonds:

\$15,000 2% fire-department bonds. Denomination, \$750. Maturity, \$750 yearly on Sept. 1 from 1904 to 1923, inclusive.
\$5,000 2% water-works bonds. Denomination, \$3,000. Maturity, \$3,000 yearly on Sept. 1 from 1904 to 1923, inclusive.

Securities are dated Sept. 1, 1903. Interest semi-annually at office of Village Treasurer. Authority, Sections 2835, 2886 and 2887, Revised Statutes of Ohio. Bids to be unconditional and proposals for each issue must be accompanied by a certified check for \$500 or else cash for that amount. Accrued interest to be paid by purchaser.

Barboursville, Cabell County, W. Va.—Bond Offering.—Proposals will be received until 12 M., Nov. 9, by the Common Council for \$1,500 6% coupon bonds. Denomination, \$100. Interest annually at the Union Savings Bank & Trust Co., of Huntington. Maturity, thirty years, subject to call after ten years. R. M. Ayers is Village Recorder.

Batesville, Ind.—Bond Sale.—On October 26 \$3,000 4% water-main-extension bonds were awarded to J. F. Wild & Co., Indianapolis, for \$2,900. Denomination, \$300. Date, Feb. 1, 1903. Interest, semi-annual. Maturity, Feb. 1, 1923.

Bedford School District No. 13, Westchester County, N. Y.—Bond Offering.—Proposals will be received not later than Nov. 1, by Edward G. Bates, Trustee, at Bedford Station, for \$5,000 5% 1-20-year (serial) bonds. Denomination, \$50. Date, Nov. 1, 1903.

Belleveue (Ky.) School District.—Bond Election.—At the election November 3 the question of issuing \$40,000 building bonds will be submitted to the voters.

Benton Harbor, Mich.—Maturity of Bonds.—In reporting last week the sale of \$50,000 4% park bonds, the maturity was inadvertently given as \$5,000 yearly on July 1 from 1924 to 1933, inclusive, whereas it should have been \$5,000 yearly on January 1 of those years. The city received par for these bonds, the Boston parties to whom they were awarded having paid \$46,000 for the same and the Benton Harbor Development Co. making up the \$4,000 difference.

Berkshire County, Mass.—Bids.—Following are the bids received October 20 for the \$50,000 4% refunding bonds awarded, as stated last week, to Jackson & Curtis of Boston at 101-41:

Jackson & Curtis, Boston.....	101-41	Burnett, Cummings & Co., Boston.....	100-59
Worcester North Savings Institution, Fitchburg.....	101-30	H. L. Day & Co., Boston.....	100-397
N. W. Harris & Co., New York.....	101-97	R. H. Rollins & Sons, Boston.....	100-142
Merrill, Oldham & Co., Boston.....	100-97	S. A. Kean, Chicago.....	100-045
Blake Bros. & Co., Boston.....	100-74	South Adams Sav. Bank (\$5,000 due 1903).....	100-25
Blodgett, Merritt & Co., Boston.....	100-798		

Blackduck Independent School District No. 60, Beltrami County, Minn.—Bonds Not Sold.—The \$5,000 5% 10-year bonds offered on October 21, were not sold. See V. 77, p. 1251, for description of bonds.

Blasdel, Erie County, N. Y.—Bond Sale.—The \$30,000 water bonds offered by this village on October 20 have been awarded to the Buffalo Savings Bank at par and interest for 4 per cents. Denomination, \$500. Date, Oct. 1, 1903. Interest, semi-annual. Maturity, \$1,500 yearly on October 1 from 1908 to 1927, inclusive.

Bristol County (P. O. Taunton), Mass.—Bond Sale.—The following bids were received Oct. 28 for the three issues of 4% notes described in V. 77, p. 1315:

	\$30,000 Building notes	\$50,000 Bridge note	\$10,000 Bridge note
Farson, Leach & Co., New York.....	100-18	for all, 100-570	100-258
Merrill, Oldham & Co., Boston.....	100-782	for all, 100-50	
Worcester North Savings Institution.....	100-782	for all, 100-50	
Blake Bros. & Co., Boston.....	100-782	for all, 100-50	
N. B. Institution for Savings.....	100-782	for all, 100-50	
Estabrook & Co., Boston.....	100-782	for all, 100-50	
Loring, Tolman & Tupper, Boston.....	100-782	for all, 100-50	
H. L. Day & Co., Boston.....	100-782	for all, 100-50	
S. A. Kean, Chicago.....	100-782	for all, 100-50	

* Bid based on \$2,000 bonds as advertised; only \$10,000 was awarded.

The bonds (\$30,000) were awarded to Farson, Leach & Co., New York.

Bucke Township (P. O. Haileybury), Ont.—Debtors Offering.—Proposals will be received until November 12 by H. McQuarrie, Township Clerk, for \$2,500 6% bonds, maturing part yearly for twenty years.

Burlington, Vt.—Bond Issue Enjoined.—We are advised that an injunction has been served on the Mayor and Treasurer restraining them from issuing the \$38,000 8½% electric-light bonds, bids for which were to have been opened to day. It is claimed that the Aldermanic meeting at which these bonds were authorized was illegal. The matter now rests, our informant adds, until a decision is received from the courts.

Castro Valley School District, Alameda County, Cal.—Bond Sale.—It is stated that on October 3 an issue of \$4,000 5% school bonds was awarded to the Bank of Haywards at 105.

Chase City, Va.—Bonds Not Sold.—The \$20,000 6% 30-year gold street improvement bonds described in V. 77, p. 620, and offered on October 13, were not sold. This is the second time these bonds have been offered without success.

Cheney, Wash.—Bond Election.—Owing to some irregularities in advertising the former election, the proposition to issue \$3,000 6% 30-year water-works bonds will again be submitted to a vote of the people on November 18. The first election was held on August 8.

Chicago (Ill.) Sanitary District.—Bond Offering.—Proposals; addressed to the Board of Trustees of the Sanitary District of Chicago will be received until 1 P. M., November 18, by S. D. Griffin, Clerk, Room 1110, Security Building, Chicago, for \$1,500,000 4% bonds. Denomination, \$1,000. Date, Dec. 1, 1913. Interest semi-annually at the office of the Treasurer of the Sanitary District at Chicago. Maturity, \$75,000 yearly from Dec. 1, 1904, to Dec. 1, 1933. Cash or a certified check of 3% of the amount of the bid, payable to the order of the Clerk, is required.

Chino, Mont.—Bond Sale.—On October 26 the \$20,000 6% 14-20-year (optional) water bonds described in V. 77, p. 999, were awarded to Stephen Carver at par and interest. A bid of par was also received from S. A. Kean of Chicago.

Cubden, Ont.—Debtors Offering.—Proposals will be received until 12 M., November 6, by Joseph R. Warren, Village Treasurer, for \$5,000 4% school bonds maturing part yearly for thirty years from Sept. 2, 1903.

Collinsville (Texas) School District.—Bonds Voted.—This district on October 17 voted to issue \$10,000 school-house bonds.

Columbia, Mo.—Bond Election.—An election will be held November 10 to vote on the question of issuing \$100,000 5-20-year (optional) bonds for the purpose of acquiring by purchase or construction a municipal water and light plant.

Columbus, Ohio.—Bond Sale.—The \$350,000 4% 10-30-year (optional) sewer bonds (two issues) offered by the Sinking Fund Trustees on September 18, but not sold, have been awarded to the new First National Bank of Columbus at par and interest. These are not new issues, but bonds held in the sinking fund as an investment. They were described in V. 77, p. 659.

Bond Election.—November 3 has been fixed upon as the day on which the question of issuing \$1,200,000 sewer-disposal bonds will be submitted to a vote of the people.

Conrad School District No. 10, Teton County, Mont.—Bond Sale.—The \$2,500 6% 10-15-year (optional) school-house bonds offered on September 26 have been sold to the Union Bank & Trust Co., Helena, at par. Securities are dated Oct. 1, 1903.

Cook County (P. O. Chicago), Ill.—Bond Offering.—Proposals will be received until 1:30 P. M., November 5, by the Board of Commissioners, at the office of William McLaren, Superintendent of Public Service, for \$635,000 4% gold bonds, "Series G." Securities are part of an issue of \$1,350,000 bonds voted at election held June 1, 1903, of which \$635,000 was awarded on July 6. Denominations, 430 bonds of \$1,000 each and 410 bonds of \$500 each. Date, July 1, 1903. Interest semi-annually at office of County Treasurer. Maturity yearly on July 1, \$31,000 in even years and \$31,500 in odd years from 1904 to 1933, inclusive. Certified check for 3% of bid, payable to Henry G. Foreman, President Board of Commissioners, required with bids for each issue.

Corning, Ohio.—Bond Sale.—On October 26 the \$7,000 6% water works bonds described in V. 77, p. 999, were awarded to Spitzer & Co., Toledo, at 108-81 and interest. Following are the bids:

Spitzer & Co., Toledo.....	\$7,477 00	State Sav. Bank Co., Toledo.....	\$7,207 00
New Nat. Bk. Columbus.....	7,450 00	Lamproch Bros. Co., Cleveland.....	7,200 00
Denison, Prior & Co., Cleveland.....	7,233 50	First Nat. Bk. Barnesville.....	7,111 00
Land and Boston.....	7,233 50	Dresden Nat. Bank, Dresden.....	7,000 00
W. A. Todd & Co., Cincinnati.....	7,235 00		

Crookston, Polk County, Minn.—Bond Offering.—Proposals will be received until 2 P. M., November 30, by W. H. Graver, City Clerk, for \$35,000 6% coupon paying bonds. Authority, Chapter 285, Laws of 1895. Denominations, \$100 and \$500. Date, Dec. 1, 1908. Interest annually at the office of the City Treasurer. Maturity, \$3,500 yearly on December 1 from 1904 to 1913, inclusive. Certified check for 5% of bonds bid for, payable to Hugh R. Robertson, City Treasurer, required.

Dadeville, Ala.—Bond Sale.—On October 15 the \$10,000 6% gold electric-light bonds described in V. 77, p. 989, were awarded to Thos. S. Sturdivant of Dadeville at par.

Dayton, Ohio.—Bond Sale.—On October 24 the \$29,000 4% 1-22-year (serial) bridge bonds described in V. 77, p. 620, were awarded to R. L. Day & Co. of Boston at 101-917 and

Interest. Bids were also received from E. H. Rollins & Sons, Boston; N. W. Harris & Co., Chicago; Seasongood & Mayer, Cincinnati; Farson, Leach & Co., Chicago; Denison, Prior & Co., Cleveland and Boston; Cincinnati Trust Co., Cincinnati; W. R. Todd & Co., Cincinnati; Well, Roth & Co., Cincinnati; W. J. Hayes & Sons, Cleveland; Merrill, Oldham & Co., Boston, and Estabrook & Co., Boston.

Delaware County (P. O. Delaware), Ohio.—Bond Offering.—Proposals will be received until 2:30 P. M., November 10, by the Board of County Commissioners, at the office of Frank Warren, County Auditor, for \$46,600 5% road bonds. Denominations, forty bonds of \$1,000 each and ten of \$660 each. Date, Sept. 1, 1903. Interest semi-annually at the office of the County Treasurer. Maturity, \$2,000 yearly on March 1 and \$3,600 yearly on September 1 from March 1, 1904, to Sept. 1, 1918, inclusive. Either cash or an unconditional certified check on a Delaware County bank in the sum of \$1,000 required. Check to be made payable to the County Auditor.

Belle, Colo.—Bonds Voted.—By a vote of 98 for to 6 against, this place recently authorized the issuance of \$80,000 water works bonds.

Depere, Wis.—Municipal Ownership of Water-Works Defeated.—This place on October 20, by a vote of 137 to 198, defeated a proposition to purchase the plants of the Artesian Water Supply Co. of Depere and of the West Depere Water Supply Co. These companies offered to sell their plants for \$37,800.

Detroit, Mich.—Bonds Authorized.—The issuance of \$100,000 5% 30-year park-improvement bonds has been authorized.

Durant, Ind. Ter.—Bond Election.—An election will be held November 10 to vote on the question of issuing \$89,000 water-works, electric-light and sewer bonds. The city voted last July to issue \$100,000 bonds for these purposes, but the Interior Department refused to approve the bonds, claiming that the issue exceeded the limit permitted by law, at the same time stating that an issue of \$89,000 would meet approval. It is for the purpose of authorizing the smaller amount that the new election has been called.

Duray (Pa.) School District.—Bonds Not Sold.—This district offered without result on October 1 \$12,000 4½% bonds. Offers were made for 5% bonds and, we are advised, the district will probably have to increase the interest to that rate. Denomination, \$500. Date, Oct. 1, 1903. Interest semi-annually. Maturity, \$1,000 yearly on October 1 from 1907 to 1918, inclusive. Wm. F. Pier is President of the school board.

East Orange, N. J.—Bonds Authorized.—The City Council, on Oct. 18, passed resolutions providing for the issuance of \$60,000 4½ 30-year water bonds (series No. 2) to be dated Dec. 1, 1903; also \$29,000 4½ 30-year refunding sewer bonds.

Engene, Ore.—Bond Sale.—This city has sold \$9,000 of an issue of \$15,000 4½ sewer bonds to P. Frank of Engene, as follows: \$3,000 due Oct. 20, 1906, at 100 25; \$3,000 due Oct. 20, 1909, 100 38; \$3,000 due Oct. 20, 1912, 100 50. The \$3,000 due Oct. 20, 1915, and the \$3,000 due Oct. 20, 1918, not yet sold, will be placed in about a month or so when sewers are completed.

Fairmount, Minn.—Bond Election.—An election will be held November 10 to vote on the question of issuing \$16,000 electric-light and water-works improvement bonds.

Falmouth, Mass.—Bond Sale.—We are advised that of the \$45,000 8½ water bonds offered, but not sold on June 17, \$18,000 have been placed and the balance secured by loan for the present. These bonds were described in V. 76, p. 1315.

Greenfield, Franklin County, Mass.—Bond Sale.—On October 28 the \$37,500 4½ high school-building bonds described in V. 77, p. 1316, were awarded to Lee, Higginson & Co., Boston, at 103 05 and interest. Following are the bids:

Lee, Higginson & Co., Boston.....103 05	Parkinson & Burr, Boston.....101 86
Farson, Leach & Co., Boston.....103 37	Blodgett, Merritt & Co., Boston.....101 84
W. R. Harris & Co., Boston.....103 97	R. L. Day & Co., Boston.....101 83
Merrill, Oldham & Co., Boston.....102 69	Adams & Co., Boston.....101 83
Franklin day Institution.....102 40	E. H. Rollins & Sons.....101 17
Joe. Parker & Son.....101 95	10,000 due 1913.....101 41
100,000 due 1915.....101 83	7,500 due 1915.....101 83
Johnson & Curtis, Boston.....102 13	R. A. Keen, Chicago.....101 03
Worcester No. Savings Inst'n.....102 05	Burnett, Cummings & Co.....100 89
100,000 due 1915.....101 85	Boston Mutual Life Ins. Co. for \$10,000.....100 00

Hamilton (Ohio) School District.—Bond Offering.—Proposals will be received until 12 M. Nov. 6, by Fred W. Grady, Clerk Board of Education, for \$20,000 4½ bonds. Authority, Section 8994, R.-vised Statutes of Ohio. Denomination, \$500. Interest, semi-annually at office of District Treasurer. Maturity, \$2,000 yearly from 1920 to 1929 inclusive. Certified national bank check for 5% of bonds bid for required.

Harrodsburg, Ky.—Bond Sale.—The \$18,000 20-year electric-light plant bonds, offered as 4 per cents on June 27 without success, have been sold as 5s to Seasongood & Mayer, Cincinnati, at par.

Horicon, Wis.—Bonds Voted.—This city on October 10, by a vote of 138 to 27, authorized the issuance of \$0,000 5% gas-plant bonds. We are advised that probably only \$9,500 of these bonds will be issued. Full details have not as yet been determined.

Houston, Tex.—Bonds Registered.—The \$300,000 5% 40-year street bonds sold recently to W. R. Todd & Co., Cincinnati, were registered by the State Comptroller on October 22.

Jersey City, N. J.—Bond Issue.—The issuance of \$38,000 3½ defalcency bonds has been authorized. These bonds, we are advised, will be taken by the sinking fund.

Juneau, Wis.—Bond Sale.—This city has sold to the Citizens' Bank of Juneau at 100 87½ an issue of \$3,500 5% water-works bonds. Denominations, \$500 and \$1,000. Date, July 15, 1903. Interest, annual. Maturity, \$500 in 1904 and \$1,000 in each of the years 1905, 1906 and 1907.

Kouchiching, Itasca County, Minn.—Bonds Not Sold.—**Bond Offering.**—The \$6,000 6% 30-year bonds of this town offered on October 17 were not sold. Proposals are again asked, this time until 12 M., December 12, by Matt Donahue, Town Clerk. Denomination, \$500. Securities will run for a period of 30 years.

La Crosse, Wis.—Bonds Not Sold.—No bids were received October 19 for \$38,000 5% special street improvement bonds. These bonds, it is stated in local papers, will be re-offered as 6 per cents.

Lake Preston, S. Dak.—Bond Sale.—This town has sold an issue of \$7,000 5% water bonds to L. L. Losteter of Iroquois. Denomination, \$500. Date, Oct. 15, 1903. Interest, semi-annual. Maturity, Oct. 15, 1923, subject to call after Oct. 15, 1913.

Lancaster, Pa.—Bond Sale.—The \$145,000 3½ water-improvement bonds, offered but not sold on October 3, have all been disposed of at par to local investors. For description of bonds see V. 77, p. 734.

Lansing, Mich.—Bonds Authorized.—The Board of Aldermen has voted to issue \$11,000 Allegan Street improvement bonds.

Bond Sale.—This city, according to local papers, has sold an issue of \$30,000 4½ 1 to 4-year (serial) bridge bonds to Noble, Moss & Co., Detroit, at par.

La Porte County, Ind.—Bond Sale.—On October 17 this county awarded an issue of \$36,388 4½ road bonds to the La Porte County Savings Bank at par. Denomination, \$910, except one bond for \$898. Date, Sept. 15, 1903. Interest semi-annually. Maturity, one bond each six months for twenty years.

Letcher County (P. O. Whitesburg), Ky.—Bond Sale.—This county, according to reports, has sold an issue of \$3,500 bonds to a local bank.

Limestone County, Texas.—Bonds Registered.—An issue of \$30,000 4½ 10 40-year (optional) road bonds, dated Aug. 10, 1903, was registered by the State Comptroller on October 21.

Lincoln, Neb.—Bond Sale.—On Oct. 26 the \$18,750 5% 1-10-year (serial) paving bonds (8 issues) described in V. 77, p. 1353, were awarded to W. E. Barkley Jr., of Lincoln, the only bidder, at 100 38 and interest.

Leekport, N. Y.—Bond Offering.—Proposals will be received until 12 M., Nov. 4, by J. C. Harrington, City Treasurer, for \$3,000 4½ 1-5-year (serial) Transit Street improvement bonds. Date of bonds, Nov. 2, 1903. Interest, semi-annually at the office of the City Treasurer. Authority, Chapter 556, Laws of 1903.

Ludington, Mich.—Bonds Defeated.—This city on Oct. 20 voted against the issuance of \$30,000 city improvement bonds.

Madison, Wis.—Bond Offering.—Proposals will be received until 7:30 P. M., November 13, by O. S. Norsman, City Clerk, for \$40,000 4½ coupon water-works extension bonds. Denomination, \$500. Date, Oct. 1, 1903. Interest annually at the First National Bank of Madison. Maturity, October 1, 1923.

Madison County, Miss.—Bond Offering.—Proposals will be received until Nov. 2 by W. H. Boie, President, for \$15,000 5% building bonds. Denomination, \$500. Date, Jan. 1, 1904. Interest, semi-annually in Canton. Maturity, \$1,500 yearly. A deposit of \$500 required with bids.

Marion, Ohio.—Bond Offering.—Proposals will be received until 12 M., November 18, by the Finance Committee of the City Council, at the office of Samuel Quigley, City Auditor for \$3,220 6½ Garden Street improvement bonds. Denomination, \$111. Date, Nov. 18, 1903. Interest, March 1 and September 1 at the office of the City Treasurer. Maturity, \$111 each six months from Sept. 1, 1904, to March 1, 1914, inclusive. Certified check for \$100 required.

Bond Election.—An election will be held November 17 to vote on the question of issuing \$100,000 city-hall, \$50,000 sewage disposal-plant and \$10,000 public park bonds.

Medicine Hat, N. W. T.—Debt Offering.—The Town Treasurer is offering at par the following debentures:

\$4,500 general-purpose debentures, dated Sept. 29, 1902.
15,000 natural-gas debentures, dated Sept. 29, 1902.
15,000 natural-gas debentures, dated Oct. 1, 1903.
15,000 water works debentures, dated Oct. 1, 1903.

Milwaukee, Ore.—Bond Election Proposed.—The city officials are considering the question of submitting to a vote of the people a proposition to issue bonds for a water plant.

Minnesota.—State Board of Investment Loans.—We take the following from the St. Paul "Pioneer Press":

The State Board of Investment yesterday approved thirty-one applications for loans from counties, townships and school districts, which amount to \$33,750. Owing to lack of funds, the loans will not be made until after the sale of school lands from Nov. 16 to 21. The board has only \$20,000 available, and other loans which have been approved but not made call for \$95,000. The loans approved yesterday are: Fillmore County, \$5,000; Albert Lea School District, \$5,000; Fillmore County, \$5,000; Kandiyohi, \$2,000; Page Township, \$1,000; Le Sueur County, \$2,000; Chasco, \$2,000; Washburn, \$1,000; Martin, \$2,000; Lammers Township, Beltrami County, \$1,000; Yell w Medicine, \$1,000; Benton, \$1,000; Cottonwood, \$1,000; Wadena, \$1,000; Wadena, \$1,000; Marshall, \$500; Atkin, \$700; Rock, \$700; Stearns, \$500; Pipestone, \$500; Benton, \$500; Wadena, \$500; Nobles, \$500; Wadena, \$500; Yellow Medicine, \$500; Wright, \$500; Atkin, \$500; Polk, \$500; Carlton, \$500; Morrison, \$500; Rock, \$500; Stearns, \$500.

Morgan City, La.—Bond Offering.—Mayor Shannon and the Town Council are offering for sale \$3,000 market and engine-house bonds.

Morgan County, Ala.—Bond Election.—An election will be held on November 16 to vote on the question of issuing \$150,000 5% 80 year road bonds.

St. Albans, Ohio.—Bond Election.—At the election Nov. 3, the question of issuing \$10,000 street-improvement bonds will be submitted to a vote of the people.

New London, Wis.—Bonds Voted.—This place on October 23 voted to issue bonds for an electric-light plant.

Newport News, Va.—Bond Sale.—The only bid received Oct. 26 for the \$58,000 4½% 40-year street-paving bonds that complied with the requirements of the advertisements was that of Denison, Prior & Co. of Cleveland and Boston, at 101½ and interest. Bonds are dated Nov. 1, 1903. See V. 77, p. 1318, for description of bonds.

Oakville, Ont.—Debentures Not Sold.—The \$10,386 debentures offered on October 1 were not sold.

Ohio State University.—Bond Offering.—Proposals will be received until 12 M., Nov. 17, by the Board of Trustees—Alexis Cope, Secretary—for \$30,000 4½% refunding bonds. Securities are in denomination of \$1,000, dated Dec. 1, 1903. Interest will be payable semi-annually at the Hayden-Clinton National Bank, Columbus. Principal will mature Dec. 1, 1912. A deposit of \$1,000 in currency with the Treasurer of the University will be required with bids, and purchaser must pay accrued interest. Bonds are authorized by Act of General Assembly passed April 23, 1893.

Okmulgee, Ind. Ter.—Bond Offering.—Proposals will be received until 5 P. M., November 9, by Fred H. Smith, Mayor, for \$38,000 5% water-works and \$15,000 5% sewer bonds. Denomination, \$1,000. Date, Nov. 1, 1903. Interest, semi-annually at the Chase National Bank, New York City. Maturity, 20 years. Certified check for 5% of bid, payable to the Town of Okmulgee, required. Authority, election held Oct. 1, 1903; vote, 194 to 37 on water question and 184 to 85 on the sewer proposition. Total bonded debt, including this issue, \$63,000. Assessed valuation 1903, \$941,797, and real value \$1,657,544.

Old Albuquerque School District No. 13, Bernalillo County, N. M.—Bond Sale.—On October 20 the \$7,000 5% 10-20 year (optional) gold school-house bonds described in V. 77, p. 991, were awarded to the Trowbridge & Niver Co., Chicago, at 100-10 and blank bonds free of charge. Following are the bids:

Trowbridge & Niver Co., Chic....	\$7,067	Royal Trust Co., Chicago.....	\$7,025
MacDonald, McCoy & Co., Chic. +	7,961	Duke M. Farson & Co., Chic.....	\$7,000
		A. A. Keen, Chicago.....	7,900

* And blank bonds. + Less \$250 attorney fees. - Less 35 attorney fees.

Oldham County, Texas.—Bonds Registered.—On October 24 the State Comptroller registered an issue of \$7,000 4% 20-year (optional) refunding bridge bonds, dated June 10, 1903.

Orange, N. J.—Bond Sale.—The \$20,000 4% assessment and the \$50,000 4% tax-arrears bonds, offered but not sold on June 22, have been taken by the sinking fund. See CHRONICLE June 13, page 1317, for description of bonds.

Orange Union High School District, Orange County, Cal.—Bonds Refused.—It is stated in local reports that the Adams Phillips Co. of Los Angeles have refused to take the \$35,000 4½% building bonds awarded to them on September 15, claiming that the election was not held in accordance with the law.

Ottawa, Ohio.—Bonds Authorized.—The Village Council on October 5 authorized the issuance of \$50,000 5% water-works bonds. Authority, election held Oct. 13, 1902. Denomination, \$500. Date, Jan. 1, 1904. Interest semi-annually in Ottawa. Maturity, Jan. 1, 1924.

Paris, Texas.—Bond Offering.—Proposals will be received until 12 M., November 2, by T. S. Hill, Mayor, for \$55,000 5% water-works bonds. Denomination, \$1,000. Date, Sept. 10, 1903. Maturity, fifty years, subject to call after twenty years. Certified check for 5% of amount of bid, payable to the above-named Mayor, required. These securities are part of an issue of \$75,000 bonds registered by the State Comptroller on October 16.

Perkasie, Pa.—Bond Sale.—This borough on October 10 awarded \$4,000 4% 5-80-year (optional) electric-light-improvement bonds to P. S. Cressman of Perkasie.

Pictou, N. S.—Debenture Sale.—On October 16 the \$14,700 80-year debentures described in V. 77, p. 853, were awarded to the Dominion Securities Corporation of Montreal for \$15,325 for 4½ per cents. Following are the bids:

Dominion Securities {for 4½% 10425	J. M. Robinson, St. {for 4½% 10300
Corporation {for 4% 96300	John {for 4% 97005

Portsmouth, N. H.—Bond Offering.—Proposals will be received until 12 M. to-day (October 31), by George D. Marcy, Mayor, for \$100,000 8½% gold high-school bonds. Denomination, \$1,000. Date, Sept. 1, 1903. Interest, March 1 and September 1. Maturity, Sept. 1, 1923. The legality of these bonds has been approved by Storey, Thorndike, Palmer & Thayer of Boston.

Red Lake Falls, Minn.—Bond Election.—An election will be held on November 3 to vote on the question of issuing \$12,000 water-works bonds.

Rechester (Mont.) School District.—Bonds Not Sold.—Bond offering.—The \$3,000 5% school bonds offered on Oct. 15 were not awarded and the sale was postponed until Nov. 18. J. O. Thomas is District Clerk.

St. Catharines, Ont.—Debenture Sale.—On October 10 the \$10,000 4% 20-year water debentures were sold at 98 50.

St. Cloud, Minn.—Water Works Purchased.—This city on Oct. 8 purchased at foreclosure sale the local water-works plant, paying \$75,000 for the same.

St. Marys, Ohio.—Bond Election.—An election will be held November 28 to vote on the question of issuing \$75,000 sewer and \$30,000 water-works and electric light-improvement bonds.

Sandersville, Ga.—Bond Sale.—This city has sold to F. F. Stacer of Sandersville at 103 50 \$39,000 5% light and water bonds. Securities are part of an issue of \$87,000 bonds described in V. 73, p. 1318, of which amount \$15,000 was sold last July to L. B. Holt of Sandersville.

Sausalito, Cal.—Bonds Proposed.—The issuance of bonds for water works is proposed by the Board of Trustees.

Seattle, Wash.—Bond Election Not to be Held.—The City Council has repealed the ordinances calling an election October 31 to vote on the issuance of \$150,000 city-hall site and \$500,000 city-hall-building bonds.

Sidney, Ohio.—Temporary Loan.—The \$9,800 temporary certificates maturing April 1, 1904, were awarded on October 26 to the German-American Bank and the Citizens' Bank of Sidney.

South Stillwater, Minn.—Bonds Voted.—This village has voted in favor of establishing an electric-light plant. Subsequently the City Council authorized the issuance of \$15,000 bonds for this purpose.

Spokane County (Wash.) School District No. 47.—Bond Sale.—On October 21 \$1,000 5½% 5-10 year (optional) bonds were awarded to Cora A. Butler at 100-50. Denomination, \$500. Date, Nov. 1, 1903. Interest, annual.

Springfield (Ill.), Pleasure Driveway and Park District.—Bonds Authorized.—The Board of Trustees has authorized the President and Finance Committee to issue \$75,000 bonds at not exceeding 4% interest and to mature in not more than twenty years. Full details of these bonds have not yet been determined. Arthur Hay is Secretary of the district.

Steenbenville (Ohio) School District.—Bond Election.—At the November election the question of issuing \$30,000 high-school-building bonds will be submitted to a vote of the people.

Stillwater, Minn.—Municipal Ownership of Water Works.—At the election November 3 the question of municipal ownership of water works will be submitted to a vote of the people. This election is only for the purpose of ascertaining the sentiment of the people on this subject.

Summit, N. J.—Bond Sale.—This city has sold to Fann, Leach & Co. at par \$55,000 4% 30-year trunk and lateral sewer bonds and \$30,000 4% 30-year school bonds. Denomination, \$1,000. Date, Nov. 1, 1903. Interest, semi-annual.

Swissvale, Pa.—Bond Offering.—Proposals will be received until 12 M., Nov. 7, by the Finance Committee, care of P. Duff & Sons, Pittsburgh, for \$10,000 4% coupon sewer bonds. Denomination, \$1,000. Date, Oct. 1, 1903. Interest, semi-annual. Certified check for 5% of par value of bonds bid for required.

Toledo, Ohio.—Bond Offering.—Proposals will be received until 7:30 P. M., November 26, by R. G. Bacon, City Auditor, for the following bonds:

\$2,520 75 45	Erie Street repaving bonds. Denominations, nine for \$250 each, one for \$500. Date, May 11, 1904. Interest semi-annually at office of City Treasurer. Maturity, "not to exceed \$25,000 in any one year between 1903 and 1914, inclusive."
100,000 60 45	general fund bonds. Denomination, \$1,000. Date, Jan. 1, 1904. Interest semi-annually at the Importers' & Traders' National Bank, New York City. Maturity, Jan. 1, 1924.
1,500 14 45	Machen Street paving bonds. Denominations, nine for \$100 each and one for \$100. Date, June 4, 1904. Interest semi-annually at office of City Treasurer. Maturity, "not to exceed \$250 in any one year between 1903 and 1908, inclusive."
200,000 45	general fund refunding bonds. Denomination, \$1,000. Date, Oct. 1, 1904. Interest semi-annually at the United States Mortgage & Trust Co., New York City. Maturity, Oct. 1, 1924.
75,000 00 45	general-improvement bonds. Denomination, \$1,000. Date, Jan. 1, 1904. Interest semi-annually at the Importers' & Traders' National Bank, New York City. Maturity, Jan. 1, 1924.
142,105 00 45	general street-improvement bonds. Denomination, \$1,000, except one bond for \$1,100. Date, Jan. 1, 1904. Interest semi-annually at the Importers' & Traders' National Bank, New York City. Maturity, Jan. 1, 1924.

Separate proposals to be made for each issue. Accrued interest to be paid by purchaser. Certified check for 5% of the par value of bonds, drawn without condition on some bank in Toledo, or else money for that amount, required with bids.

Tyler, Minn.—Bonds Not Sold.—The \$3,500 sewer bonds offered on October 1 have not yet been sold. Securities will be re-advertised in the near future.

Uniontown (Pa.) School District.—Bond Offering.—Proposals will be received until 12 M., Nov. 3, by J. C. Fulton, Secretary, for an issue of 4% 2-16-year (serial) bonds.

Valley County (P. O. Glasgow), Mont.—Bond Offering.—Proposals will be received until 10 A. M., December 7, by E. J. Crossett, County Clerk, for \$87,000 4% 10-30-year (optional) refunding bonds, dated Oct. 1, 1903. Denomination, \$1,000. Interest, January 1 and July 1 at the office of the County Treasurer in Glasgow. These bonds were awarded last August to the Thomas Cruse Savings Bank of Helena. We are not advised as to the reason for the resale.

Walla Walla, Wash.—Bond Election Authorized.—The City Council has decided to submit to a vote of the people the question of issuing water bonds. Two propositions will be submitted, one involving \$100,000 and the other \$200,000.

Watervliet, Mich.—Bonds Proposed.—This village proposes to issue \$15,000 bonds for a water plant.

Wauseon, Ohio.—Bond Offering.—The Village Council has authorized the issuance of \$5,800 5% debt-extension bonds dated Nov. 1, 1903. Proposals for these bonds will be received until 12 M., November 9, by A. S. Bloomer, Village Clerk. Denomination, \$580. Interest annually at the office of the Village Treasurer. Maturity, \$580 yearly on Novem-

for 1 from 1904 to 1918, inclusive. All bids must be unconditional. Cash or certified check for \$500 required.

Wellsville, Minn.—Bonds Not Sold.—Bond Offering.—This village offered on Oct. 10 without success an issue of \$9,000 10-year water and light bonds. Proposals are again asked for these bonds, this time until 2 P. M., Nov. 7, by R. P. Child, Village Recorder. Securities are in denomination of \$1,000. Interest will be payable annually.

Wellsville, Ohio.—Bond Sale.—Local papers state that an issue of \$28,000 4½% refunding bonds has been awarded to Chesapeake & Mayer, Cincinnati, at par.

Whitewater, Parish of Iberville, La.—Bond Offering.—Proposals will be received until 5 P. M., Nov. 23, by W. J. Alexander, Mayor, for \$10,000 5½% gold water-works bonds. Authority, election held Aug. 31, 1903. Denomination, \$500. Date, Dec. 1, 1903. Interest, semi-annually at the Bank of Whitewater. Maturity, Dec. 1, 1913, subject to call \$2,500 yearly beginning seven years after date. Certified check for 5% of the amount of bid required. Bonds are exempt from taxes. The town has no debt at present. The assessed valuation at present is \$190,000.

Whitney (Tex.) Independent School District.—Bonds Not Sold.—The \$8,500 4½% 20-year (optional) school building bonds offered on Oct. 1 have not yet been sold. See V. 77, p. 773, for description of bonds.

Wiarion, Ont.—Debt Offering.—Proposals will be received until 6 P. M., November 9, by W. J. Ferguson, Town Clerk, for \$18,000 4½% water debentures dated Nov. 1, 1903, and maturing part yearly for thirty years; also about \$8,000 4½% 20-year local-improvement debentures. Interest will be payable at the Union Bank of Canada at Wiarion. Separate bids for each issue required.

Wilson, Miss.—Bonds Voted.—This city has voted to issue \$100,000 water and sewer bonds.

Wittenberg, Wis.—Bonds Voted.—This village has voted to issue \$20,000 electric-light-plant bonds.

Woodlawn, Ala.—Bond Election.—The Board of Aldermen has passed a resolution calling an election Nov. 21 to vote on the question of issuing \$15,000 school bonds.

Bonds Proposed.—The City Attorney was recently instructed by the Board of Aldermen to draw up a bill providing for the issuance of street improvement bonds.

Woodward, Okla.—Bonds Voted.—This town, on Oct. 19, by a vote of 187 to 15, authorized the issuance of 6½% 10-20-year (optional) bonds for a water system. Interest will be payable at the Western National Bank, New York City. Date of sale has not yet been determined upon. L. D. Baker is Town Clerk.

Youngstown, Ohio.—Bond Offering.—Proposals will be received until 2 P. M., Nov. 23, 1903, by Wm. I. Davies, City Auditor, for the following bonds:

\$388 65 George Street grading bonds, maturing one bond, \$77, yearly on Oct. 1 from 1905 to 1909, inclusive.
850 55 Park Place sewer bonds, maturing one bond of \$170 yearly on Oct. 1 from 1905 to 1909, inclusive.
675 65 Wiseman street grading bonds, maturing one bond of \$135 yearly on Oct. 1 from 1905 to 1909, inclusive.
1,875 55 Wick Avenue macadamizing-deficit bonds, maturing one bond of \$375 yearly on Oct. 1 from 1904 to 1908, inclusive.

Bonds are dated Dec. 1, 1903. Interest will be payable semi-annually at the office of the City Treasurer. Purchasers must be prepared to take the bonds not later than Dec. 1, the money to be delivered at one of the city banks or at the office of the City Treasurer. A certified check for 2% of the amount of bonds bid for must accompany proposals, which must be made for each block separately.

Bonds Authorized.—The City Council on October 19 passed ordinances providing for the issuance of the following bonds:

\$125,000 5½% water-works-improvement bonds, maturing \$5,000 yearly on Oct. 1 from 1905 to 1929, inclusive.
18,000 5½% bonds issued for the purpose of repairing viaducts, bridges and culverts. Maturity, \$1,200 yearly on Oct. 1 from 1906 to 1912, inclusive.

Interest on above bonds will be payable semi-annually at the office of the City Treasurer.

Bond Sale.—The following bids were received October 26 for eleven issues of 5½% bonds described in V. 77, p. 1318:

	Denton, *W. J. Hayes Prior & Co.	New 1st Nat. Bank & Noyes.	Spangood & Mayer.
\$6,550 Broadway paving.....	\$6,977 10	\$6,903 00	\$6,371 60
8,000 Broadway sewer.....	3,052 30	3,023 25	3,020 00
3,900 Francis paving.....	3,387 50	3,325 50	3,228 00
2,350 Forest Ave. sewer.....	2,386 00	2,350 00	2,267 00
1,500 Murdoch St. sewer.....	1,314 00	1,310 25	1,310 00
1,000 Wiseman St. sewer.....	1,007 00	1,007 75	1,007 00
1,750 McKinnis St. sewer.....	1,748 00	1,743 50	1,742 00
2,150 Crescent St. sidewalk.....	2,172 25	2,150 00	2,108 00
800 Center Ave. paving.....	800 00	800 00	800 00
535 Franklin Ave. sewer.....	537 00	537 00	537 00
850 Ridge Ave. grading.....	850 00	850 00	850 00

* Bid was for all bonds or none.

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\$1,000,000

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4½% Public Improvement Bonds.

OFFICE OF THE TREASURER OF THE

TERRITORY OF HAWAII.

Honolulu, H. T., October 29, 1903.

Said proposals will be received by the undersigned, Treasurer of the Territory of Hawaii, until NOVEMBER 15TH, 1903, at 2 o'clock P. M., for the purchase of all or any part of \$1,000,000 4½% Public Improvement Bonds of the Territory of Hawaii. Bonds to be of the denomination of \$1,000 each, to be dated October 1, 1903, and to mature October 1, 1913, with option of redemption by the Territory on or after October 1, 1908. Interest payable semi-annually. Principal and interest payable at the office of the Treasurer of the Territory in Honolulu or at Wells, Fargo & Company's Bank in New York City, at the option of the holder. The bonds are exempt from all taxes and are a direct charge on the consolidated revenues of the Territory.

The bonds will be issued pursuant to an Act of the Congress of the United States of America, entitled "An Act to Provide a Government for the Territory of Hawaii," approved April 30, 1900, and pursuant to an Act of the Legislature of the Territory of Hawaii, entitled "An Act to Provide for Public Loans," approved April 15, 1903, and an Act of the Legislature of the Territory of Hawaii, entitled "An Act Making Special Appropriations for the Use of the Government of the Territory of Hawaii," approved July 11, 1903, and the said issue of bonds has been duly approved by the President of the United States.

The bonds will be engraved under the supervision of and certified as to genuineness by the United States Mortgage & Trust Company, and the legality of the bonds, as to their validity and the legality of the issue, will be delivered to the purchaser or purchaser of said bonds.

Each bid must be accompanied by a duly certified check on a National or State Bank or Trust Company, payable to the Treasurer of the Territory of Hawaii, for two per cent of the par value of the bonds bid for.

The right is reserved to reject any or all bids. Delivery of the bonds will be made on November 15th, 1903, at 11 o'clock A. M. at the office of the United States Mortgage & Trust Company, 55 Cedar Street, New York City.

Bids will be received by the undersigned at the office of the United States Mortgage & Trust Company, 55 Cedar Street, New York City, or at his office in Honolulu, H. T., but no bid will be entitled to consideration unless received by or before the hour set for receiving bids.

For circular of information and blank bid, address United States Mortgage & Trust Company, 55 Cedar Street, New York.

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BANKERS' AND TRUST SECTION

OF THE

COMMERCIAL & FINANCIAL CHRONICLE.

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INDEX TO ADVERTISEMENTS.

A complete index to the advertisements appearing in the present issue of the Bankers' and Trust Section will be found on page 1622.

THE BANKERS' COMMITTEE ON CURRENCY.

The committee appointed at the New Orleans Bankers' Convention last November to report on needed reforms in the country's currency system filed its report last week at San Francisco. The occasion on which the report was published, being perhaps the largest Bankers' Convention ever held in this country, the financial importance of the names signed to it and the frankness with which the report makes recommendations on several controverted points, lend a good deal of importance to the document and call for special notice.

The report starts out by showing that the actual circulating medium of the United States

is at present larger than in any previous period of the country's history. This, as our readers are aware, was decidedly within the facts. The report pointed out very concisely that the per capita circulation at the opening of last September was \$29.60, as compared with \$28.55 twelve months before; but the comparison might profitably have been carried further back. The Treasury's figures show a total estimated circulation outside the Treasury of \$2,388,902,178 at the September date in 1903, comparing with \$2,264,932,945 the year before, with \$2,197,789,824 in 1901, and with \$1,792,096,545 in 1898. The per capita circulation on the date last named was \$23.96, which makes a far more striking comparison than the figures of the Committee's report. Not the least noteworthy feature is the important part played by gold in this increased circulation. At the date named in 1898 gold coin and certificates in general circulation amounted to \$666,166,175. At the September date this year their aggregate was \$1,014,531,078. We have added these figures in order to supplement those given by the Committee, and to reinforce their argument.

This point deserves emphasis for the reason that the one matter on which any member of the Committee dissents from the general report is the proposition to repeal the law restricting retirement of bank note circulation. Mr. George Q. Whitney dissents on this point from his colleagues, Messrs. Charles S. Fairchild, H. C. Fahnestock, Myron T. Herrick, Homer S. King and John J. Mitchell, assigning as his reason that it seems to him "to be inconsistent to in the same report recommend a method for an increased circulation and to insert a provision urging a means by which the circulation may be at any time diminished." But it seems to us that Mr. Whitney, in his dissent, does not take account of the arguments advanced by a majority of the Committee for the repeal of the \$3,000,000 per month contraction limit. Such repeal the majority report describes as "the first and most important requirement." It is necessary, they go on to

say, "so that the expansion and contraction will be automatic and governed by the surrounding situations. Under the present restrictions many banks are unwilling to issue currency for temporary and legitimate needs, which they would issue if they felt certain that their currency could be retired when no longer needed."

It will be observed from this citation that the majority of the Committee is not arguing for restrictions of the circulating medium per se, but rather for a reasonable opportunity for expansion and contraction as circumstances warrant. We do not think that Mr. Whitney would contend that in a time of slack demand from trade, when need of active circulating medium was at a minimum, the situation would be benefited by increase in bank notes outstanding, whether compulsory or voluntary. The entire theory of bank circulation takes into reckoning the supposition, at any rate, that notes will respond to trade requirements both in issue and retirement. The trouble with the present law is that it virtually says to bankers issuing notes, You may take out instantly all the circulation that you want, whether the trade demand for it exists or not; but you may not call it back again even for the sake of saving yourself from a loss on the bond collateral, except on conditions which will make the reduction process extremely slow. It is, we believe, a well recognized fact in banking that this restriction of the retirement privilege operates as a handicap against the taking out of circulation by the banks.

We cannot agree so heartily with the Committee's remarks on emergency circulation, which are as follows:

Emergency circulation could, within careful limitations, be safely permitted upon the actual deposit with the Treasury Department of securities acceptable to the Secretary of the Treasury. And upon such deposits circulation could be issued promptly to meet actual emergencies, which would not be possible if time were taken for the examination of general assets by the Secretary of the Treasury and Comptroller of the Currency. A tax of 6 per cent. per annum should be imposed upon such emergency circulation to ensure and hasten its return to the issuing bank; this tax to be set aside as a safety fund to secure the United States Treasury for the redemption of notes so issued. This emergency circulation should be issued without any distinguishing mark from other national bank circulation, except to substitute the words "secured by bonds approved by the Secretary of the Treasury," instead of the words "bonds of the United States" for being amply secured, there should be no discrimination against it beyond the 6 per cent. tax. To further liberalize the circulation, your Committee recommends that the United States tax on circulation should be uniform on the issue of currency based on all classes of United States Government bonds.

The mere question of a 6 per cent. tax on the emergency circulation, to insure and hasten its return to the issuing bank, is a fairly debatable matter. It is, we hardly need say, the system now pursued by the Imperial Bank of Germany, and in one form or another advocated by numer-

ous commercial bodies here, including the New York Chamber of Commerce. The part of the Committee's plan to which we object is their proposition to allow this emergency circulation to be "secured by bonds approved by the Secretary of the Treasury." Our own feeling is that the Secretary of the Treasury has quite enough responsibility already thrust upon him which he does not court, and which as a public officer he ought not to have. Mr. Fairchild himself will recall his own remarks as Secretary of the Treasury regarding even so routine a matter as selection of Government depositories for a large public surplus. He then remarked, and very rightly in our judgment, that this was a responsibility which ought not to be put upon any officer of the Government. This is decidedly our view of the matter, and we should greatly regret to see such compulsory intrusion of the Secretary into the field not only of money market, but of security market activities. It is scarcely possible that the discretion allowed the Secretary under such circumstances would be wholly without influence on the market. But in so far as he had any influence it would embarrass the Secretary in his plans and place him in an inevitably false position.

We are glad to be able to concur without question in the rest of the Committee's report. Particularly we indorse the following clear and businesslike statement of the necessity for changing the law regarding Customs receipts. The Committee says on this head:

In the opinion of your Committee the most serious need is the reform of the Sub-Treasury system in such wise that the money withdrawn from the banks for customs duties, as well as internal revenues, shall be deposited in the banks and thus be made available for use in the community from which it has been withdrawn. Such a reform could be inaugurated by giving to the Secretary of the Treasury discretionary authority to permit deposits to the extent of 50 per cent. of the capital and surplus of national banks of customs receipts as well as internal revenue receipts guaranteed by securities acceptable to the Secretary of the Treasury. Such an arrangement would render impossible the embarrassments which have frequently occurred as the result of Treasury accumulations.

The Committee might have added that the forbidding of such use of customs revenue in public deposits is an utterly obsolete inheritance from the days of paper money and Civil War, having no more reference to the needs or safeguards of the present time than would a statute regarding the price to be charged for gold in exchange for legal tenders.

The final recommendation that the tax on circulating notes should be uniform on the issue of currency based on all classes of United States Government bonds is a proper move toward uniformity. The law as it stands to-day, under the Act of March 14, 1900, provides that circulation based on the 2 per cent. bonds shall bear a tax of $\frac{1}{4}$ of 1 per cent. semi-annually, leaving for circula-

tion based on bonds of other classes the old proviso that the issuing banks shall pay "in the months of January and July a duty of $\frac{1}{2}$ of 1 per centum. each half year upon the average amount of its notes in circulation."

THE GROWTH OF THE PACIFIC STATES.

The fact that the bankers in their annual gathering convened at San Francisco the present year serves the excellent purpose of directing attention to the growth of the Pacific Coast States. The advance of this section of the country in population and in wealth and material prosperity has been no less striking or marvelous than that of any of the other remoter parts of the country. Governor Pardee, in welcoming the assembled delegates, spoke of California as the land where roses bloom the year round and nature always turns her smiling face toward him who trusts her for his sustenance—"the Western boundary of the United States, where the great Pacific sends his surges thundering to our very doors—the Great Pacific that soon will bear upon his calm untroubled bosom such argosies as trade and commerce have not seen before." The language is flowery, of course, but are the Governor's statements out of accord with the facts or are his suggestions of future prosperity too glittering and glowing? A careful survey of the situation, we think, warrants the assertion that there is no exaggeration in the Governor's remarks.

The progress made by California in its comparatively brief period of existence, and the development of Oregon and Washington within a still briefer space of time, have been simply wonderful. California received her first noteworthy impulse in material prosperity in the gold discoveries of 1848-9. She was admitted as a State into the Union on September 9, 1850, a little over fifty-three years ago. The Census of 1850 showed a population of only 92,597. At the Census of 1900 the number of inhabitants had increased to close to a million-and-a-half—1,485,053—and the population now, of course, is well above that figure.

The continued growth and development of the State is all the more significant, in view of the fact that the basis on which its early business activities rested, namely, the gold production, has been gradually dwindling in importance. For the twelve years subsequent to the discovery of gold in California up to and including 1861, her total gold product was, in round numbers, \$670,000,000, an average of more than \$55,000,000 per annum. For 1890, on the other hand, the value of the gold produced was only \$12,500,000. In the more recent years there has been an increase in the annual output, but even for 1902 the gold product was valued at only \$17,124,941, being considerably less than one-third the average of the twelve years up to and including 1861. Yet

from 1860 to 1900 the population increased from 379,994 to (as already stated) 1,485,053, showing that while the gold discoveries furnished the occasion for the early start, the State's advance in the more recent decades has rested on broader and surer foundations—upon its agricultural, mineral and other resources. We shall give figures presently furnishing evidence of the State's progress aside from the increase in population.

What is true in these particulars of California is true no less of the States further to the North on the Pacific Coast—namely, Oregon and Washington. Oregon was organized as a territory on August 14, 1848, but was not admitted as a State until February 14, 1859. As recently as 1870 its population was only 90,923; the 1900 Census showed a total of 413,536, and there has been further decided gain since then. The State of Washington has a still more magnificent record. Organized as a territory on March 2, 1853, it was not admitted as a State until November 11, 1889. Even in 1880 the population was only 75,116. Twenty years afterward, in 1900, we find numbers increased to 518,103, and the three years since then have witnessed a development surpassing all previous records.

On May 9 next year it will be a hundred years since the formal transfer of the territory included in the Louisiana Purchase negotiated by President Jefferson—a centennial which the St. Louis World's Fair is to commemorate. Any one cognizant of the history of the Lewis & Clark Expedition sent out by President Jefferson to explore this new territory, which comprised a strip extending from the Gulf of Mexico to the North Pacific States, and who has read of the hardships and trials endured by those explorers, cannot fail to wonder at the marvelous transformation that has occurred in the hundred years since then. That expedition—as important and as full of perils as any ever undertaken in the world's history—required from the time of its start at St. Louis on May 14, 1804, to its return to the same point two years, four months and nine days. At the present time, with the network of railroads spanning the country, the journey can be made in a few days.

Many facts and figures could be cited to show the progress of the Pacific States. We shall have to confine ourselves to a few leading indications. First of all, to emphasize the growth of that part of the country in financial importance, we present the following table which we have compiled from our files, and which shows the total of the yearly bank clearings of San Francisco, Los Angeles, Seattle, Portland, Spokane and Tacoma for 1892, for 1894, and for 1901 and 1902. We have selected the years named because in 1892 the totals were pretty generally at the maximum reached up to that time, and the succeeding two or three years were a period of depression when clearings fell off in a marked way, while 1901 and 1902, on the other hand, constitute a period when gains were at a very rapid rate:

BANK CLEARINGS ON PACIFIC COAST.

	1902.	1901.	1894.	1892.
San Francisco.....	\$1,373,302,025	\$1,178,109,736	\$658,526,806	\$815,265,486
Los Angeles.....	245,516,005	162,378,000	46,897,706	39,208,100
Seattle.....	191,885,973	144,434,367	26,980,927	55,520,836
Portland.....	154,741,110	122,735,456	56,582,510	100,718,783
Spokane.....	88,469,202	58,856,224	14,068,318	.....
Tacoma.....	75,739,840	59,622,549	29,093,641	48,011,206

Totals\$2,129,714,245 \$1,726,396,392 \$832,141,087 \$1,067,724,120

Taking the six points collectively, we see that the aggregate of clearings in 1892 was roughly \$1,067,000,000; that from this there was a drop to \$832,000,000 in 1894, that 1901 saw the total up to \$1,726,000,000, while in 1902 there was a further advance to \$2,129,000,000. Every one of the points has shared in the wonderful upward movement, clearings at San Francisco in the eight years from 1894 to 1902 having risen from \$658,000,000 to \$1,373,000,000; those of Los Angeles, from \$47,000,000 to \$245,000,000; those of Seattle, from \$27,000,000 to \$192,000,000; those of Portland, from \$56,000,000 to \$154,000,000; those of Spokane, from \$14,000,000 to \$88,000,000, and those of Tacoma, from \$29,000,000 to \$75,000,000.

Every one knows that the foreign trade of the Pacific Coast has been expanding in a very rapid way during the last few years. Figures on that point will be useful and instructive, and we have accordingly had prepared the following statement, showing the merchandise exports from the Pacific Coast for 1890, for 1895 and for 1902 and 1903:

FOREIGN EXPORTS FOR FISCAL YEARS ENDING JUNE 30.

	1903.	1902.	1895.	1890.
Puget Sound District,				
Washington.....	\$32,500,012	\$33,788,821	\$5,805,193	\$3,320,775
Willamette District,				
Oregon.....	10,796,873	12,132,818	5,064,947	3,370,815
San Francisco, Cal.....	33,502,616	38,183,755	24,873,148	35,962,078
Minor ports.....	800,880	734,201	286,324	1,706,832
Totals Pacific ports*.....	\$77,600,882	\$84,839,695	\$36,049,512	\$44,419,500

* Not including Alaska and Hawaii.
† Includes Seattle, Tacoma, etc.
‡ Includes Portland, etc.

The figures cover the fiscal years ending June 30. It will be seen that in the late year there was a falling off of about \$7,000,000 in the total (as compared with the high figures of 1902), due to a loss of \$4,000,000 in breadstuff exports and a loss of \$1,500,000 in the cotton exports, the latter occasioned mainly by a diminished demand from Japan. Nevertheless, the total after this reduction still stands at \$77,608,882, as against \$44,419,500 in 1890, and but \$36,049,512 in 1895. Comparing 1903 with 1895 the Puget Sound merchandise exports have advanced from \$5,805,193 to \$32,500,012; the Portland exports, from \$5,084,847 to \$10,796,373, and the San Francisco exports, from \$24,873,148 to \$33,502,616.

One other statement must suffice to complete our review of the progress of the Pacific States. In the figures above we have been dealing with the total of all merchandise exports. The wheat and flour exports, of course, play a prominent part in these totals. We have thought it would be interesting to show these wheat and flour exports by themselves for the latest year (that is, the twelve months ending June 30, 1903) as compared with the exports from the leading cities of the Atlantic Coast and the Gulf Ports and the Lakes for the same time.

WHEAT AND FLOUR EXPORTS FROM UNITED STATES.

	Wheat, bushels.	Flour, barrels.	Total in bushels.
Puget Sound District.....	8,928,909	1,986,206	17,866,836
Willamette District.....	8,657,932	808,604	12,296,650
San Francisco.....	8,549,954	872,941	12,478,189
Totals for Pacific Coast	26,136,795	3,667,751	42,641,675
New York.....	17,403,409	4,538,270	37,825,624
New Orleans.....	17,836,356	1,111,362	22,837,485
Baltimore.....	6,847,262	3,168,668	21,106,268
Galveston.....	16,308,842	317,497	17,787,579
Philadelphia.....	5,361,407	2,704,963	17,533,740
Boston.....	6,429,178	1,061,772	11,207,182
Newport News.....	2,954,438	1,618,727	10,238,709
Superior.....	3,604,811	501,976	5,983,708
Portland.....	3,585,151	203,781	4,502,166
Chicago.....	2,850,725	27,806	2,975,832
Duluth.....	1,897,583	53,989	2,140,833
Mobile.....	48,955	263,929	1,238,636
Norfolk.....	154,319	145,479	808,874
Other.....	2,035,221	56,960	2,391,541
Totals.....	113,454,452	19,442,930	200,947,687

It will be seen that the shipments from the Puget Sound district alone of wheat and flour in the twelve months ending June 30, 1903, amounted to 17,866,836 bushels, a total exceeded by only three other points—namely, New York, New Orleans and Baltimore. In addition to the shipments from Puget Sound (Seattle, Tacoma, etc.), the exports from San Francisco were 12,478,189 bushels, and the exports from the Willamette district (Portland, etc.), 12,296,650 bushels. Adding the three together we get a grand aggregate of 42,641,675 bushels exported from the Pacific Coast, which surpasses New York's total and also that of New Orleans and every other point in the country, the exports from New York in the same period of twelve months having been only 37,825,624 bushels; those from New Orleans, 22,837,485 bushels, and those from Baltimore, 21,106,268 bushels. Outside the three points named no other port in the country during the twelve months sent out as much as 20,000,000 bushels of wheat and flour.

With these evidences of past growth before us, is it too much to expect that future growth will be equally and possibly more rapid? It is idle to prophesy, but considering the evidences of activity and development which are so conspicuous on every side, the efforts making by railroads to build up vacant sections, the springing up of new centres of population, the multiplication of steamship facilities, the acquisition by the United States of its new island possessions like Hawaii and the Philippines, with which necessarily trade facilities will be cultivated—in view of all this is it too sanguine to expect that fifty years hence the Pacific Coast section will have assumed an even more advanced position in the march of commerce and trade? As Treasurer Ellis H. Roberts well said, the sea which was dominated in turn by the Phœnicians, the Greeks and the Romans “is a little inland lake compared with the mighty ocean which connects the Occident with the Orient, which beats upon America and Asia and Australasia and holds in its lap islands upon which nature has lavished its most precious treasures.” Given such advantages, can any one speak too confidently of the possibilities in store for the Pacific Coast States?

THE BUSINESS SITUATION.

By O. D. ASHLEY, ex-President of Wabash Railroad Co.

October 20, 1903.

The troubled waters of Wall Street, occasioned mainly by over speculation and the accumulation of unsalable securities, have hardly subsided, and the whole atmosphere breathed by the business community is still permeated by the vapors of suspicion. But the force of the storm has probably exhausted itself, and we are nearing if not already on the improving grade, although the process of recovery is likely to be attended by setbacks, and to be slow and gradual. For more than two years conservative men have vainly uttered warnings, only to be brushed aside as pessimistic in a period of undeniable prosperity. It is evident, however, notwithstanding these hasty rejections of unwelcome advice, that the warnings have been heeded by an intelligent part of the community, and the result has been a decided check to a multitude of ambitious speculative schemes.

This unwelcome visitation with its severe losses, while damaging in its effects not only upon the speculative ardor of the enthusiastic crowd of Wall Street operators, but likewise on general business, will probably avert a more serious and widespread disaster by checking the growth of unsound and unhealthy movements, which have been the most dangerous feature of the times. The consummation of the numerous schemes of promoters required the distribution of huge blocks of securities which conditions rendered unsalable. In consequence of this indigestible state of the market many holders who were caught with these securities undistributed have, instead of receiving handsome dividends, suffered materially, and their schemes have come to naught. Fortunately, the majority of the underwriters have been men of large wealth, well able to meet their guarantee, and to carry the burden of the securities they had assumed until a market could be found to absorb them. It is this peculiar allotment of a vast amount of property in capitalized form which is likely to save us from the disastrous results of its distribution among small investors, who could not have carried such a mass of unsalable securities without deplorable consequences. As it is, the task of carrying these enterprises in their newly capitalized and experimental form will remain with the originators and guarantors of the schemes. The process of development must now be undertaken by men of means, who can well afford to wait for practical demonstrations of value, which time only can furnish.

It is, of course, well understood that extensive movements in the field of speculation have not been confined to industrial stocks, although many of these belated schemes have figured conspicuously in recent troubles. The same imprudent disregard of financial conditions and the dangers of inflation has been displayed in railway com-

binations, by consolidation or ownership control, in bewildering succession and of startling magnitude. The lawsuit now pending against the Northern Securities Company interfered seriously with many proposed arrangements to control acquired properties; but the schemes of acquisition and concentration have continued through syndicates and other organizations, the final disposition of which may be influenced by the result of the Northern Securities litigation. Meantime some of these grand propositions remain in the first stages of formation and development, while distribution is checked by the adverse turn of the speculative tide. Here, again, the projectors, and in one sense the underwriters, who have furnished the capital for these huge undertakings, have been obliged to hold their investments and to wait for more favorable opportunities of distribution.

It thus appears that, to a very large extent, the difficulties of the situation caused by the recent speculative reaction have fallen upon those who can bear the reverses without causing widespread disturbance. Unfortunate and unwelcome as this responsibility must be to the parties involved, it is infinitely better for the business community than the infliction of such losses and the placing of such burdens upon a host of small operators and investors. The adjustment thus forced upon the originators and supporters of these incomplete schemes will possibly save some of them from utter failure, while those of substantial merit will eventually recover from their temporary difficulties.

The continued depreciation in the market value of securities, which have for several years been gradually absorbed by the investing public for income on savings, has, of course, occasioned loss to holders in the changed valuations, and many small speculators have doubtless been caught in the shrinkage; but these are small disasters compared with the burdens which have fallen upon underwriting syndicates, the members of which have been called upon to pay up and carry the dead weight of stagnated undertakings.

The trouble in the present instance is claimed to have arisen from a heavy demand upon involuntary buyers, obliged to redeem their underwriting pledges. Forced thus to assume obligations, they have necessarily turned salable securities into cash to meet their engagements. This is a prominent cause of the "forced liquidation" which has disturbed the Stock Exchange.

Confidence, which is vital in all progressive movements, and especially in financial undertakings, has been rudely shaken, and it will require months of soothing and encouragement to restore the equilibrium thus disturbed. It will come, nevertheless, and with much less shock and disaster than would have followed in case of a wide distribution of the unsalable securities. The pressure of liquidation has been heavy upon those who could bear it, not, of course, without feeling its severity, but with much less of trouble and distress than would have resulted from a success-

ful manipulation of the stocks and their absorption by comparatively weak holders.

The conclusions naturally to be drawn from the foregoing propositions are: that the crisis in our commercial, industrial and financial affairs will be much less severe and of much shorter duration than would have followed a collapse after unchecked expansion.

The substantial facts, which have been the foundation of our prosperity during the last six or seven years, remain and must come to our relief as soon as uneasiness and alarm subside; but, meanwhile, we can scarcely hope to escape a period of moderate contraction in all branches of business and industrial enterprise commensurate with the violence and extent of the interruption. Men hesitate to embark in new projects under the chilling effects of a falling stock market, and even contemplate less in the way of extension and improvement in going concerns. In short, the whole tendency of such visitations is to suggest caution and moderation, and these influences alone will restrict enterprise and limit activities. If, however, the causes of the interruption are temporary the recovery will be the more rapid, and the lesson taught by the experience of the year will have beneficial effects. In this point of view the condition of the country, its productive resources and its industrial prospects become unusually interesting and deserve careful consideration. Admitting the probability of some diminution in the volume of trade and manufacturing industry, which will be neither permanent nor seriously injurious, it will be difficult to find anything else of a discouraging character. Crop conditions, which are of vital importance, are, upon the whole, quite favorable, and the demand for the products of manufacturing and mining industry will increase again as soon as confidence in our financial situation is fully restored. If this proves to be a correct diagnosis of the case, we shall simply have passed through a process of repair and restoration, much to our permanent advantage.

Statistics of our foreign trade show a decline in the volume of exports and a considerable increase in imports; but the balance is still largely in our favor, even in the declining stages of our export trade. For the seven years ending June 30, 1903, the exports show a balance over imports, in round numbers, of \$3,500,000,000, and in the quarter ending September 30 the figures give us a further considerable increase.

Whatever the disposition of this great trade balance may have been, whether in the payment of our bonded indebtedness to Europe, or in cancellation of the loans of foreign bankers in aid of our industrial schemes, it must enure in some shape to the advantage of the country. It is a solid credit in some form and is distributed through the country in the ratio of production. There is no escape from this conclusion. A sound argument may be founded on this in favor of the stability and soundness of the producers and manufacturers. It is equivalent to a guarantee

of solidity and strength, which should remove all forebodings of the effect of our recent bubble explosion.

The gross receipts of railway traffic are large, and, although somewhat irregular, continue to show a satisfactory increase even over the great traffic of the previous year. In net earnings, however, the comparison is less favorable, owing to the increase in operating expenses and the higher prices of materials used in construction, maintenance and repair. The remedy will doubtless be sought in higher rates of transportation.

Labor disturbances are one of the most, if not the most serious, of the obstacles to a revival of business prosperity. They interfere with progress in every direction: building is arrested in the process of construction; factories close their works and trolley cars struggle feebly through the streets, or cease running altogether; and the strike mania seems to have seized the laboring classes just when the continuance of prosperity appears doubtful. Adjustment will doubtless follow vexatious and expensive delay; but just now, when shrinking values create alarm and distrust, and when severe losses suggest inaction and economy, the demands of labor appear untimely, as well as unreasonable. Eventually these labor questions will be settled upon the principle of "live and let live." Any addition to the prevailing distrust is distinctly injurious to the interests of the workingman, and it is, to say the least, unfortunate that alleged grievances should be urged so persistently at such an inopportune time. No reasonable man objects to the proposition that labor should fairly participate in the prosperity of the country; but the question of division requires careful examination, and to be permanent must be equitable. Any other method of solving the labor problem will prove lacking in efficiency and permanence. Bankers, merchants, manufacturers, miners and workingmen should unite in the support of measures calculated to restore confidence.

Legislation by Congress in regard to so-called "Trusts" has been rendered superfluous by the automatic operation of natural law. The great tendency in the formation of these combinations, as well as the principal objection to them, is the claims made of overcapitalization of the industries consolidated. At fair valuations of the properties no reasonable objection could be offered to such combinations; but to give a fictitious value to them, and then to share this fictitious capital with promoters and underwriters, with the expectation of influencing a distribution of the watered stock to a credulous public, and thus to secure enormous profits, required unscrupulous methods and ingenious manipulation. The disastrous failure of many of these inflated concerns brought the promoters to a sudden halt, and at the same time, closed the market to those well under way. It is in carrying out their engagements with these last named that the underwriters are now troubled. The "Trust" problem has solved itself. Legislation will be unne-

essary unless to bar the way to future speculations of this character.

One of the most conspicuous evidences of the discriminating character of the recent break in security valuations is to be found in the condition of the money market, which at no time since the decline commenced has shown any tendency to panic. Rates of interest have been higher and discriminating on time loans, but an abundant supply has been available on call at from two to three per cent. upon satisfactory collaterals.

As a matter of fact, we have passed through much of the crop moving period, during which some disturbance is generally anticipated in New York, without the usual draft upon Eastern balances; this, of course, is in part due to the lateness of the crops and in part to the fact that the Secretary of the Treasury is depositing Government funds in interior cities wherever he finds evidences of a need. But the entire absence of panic in the money market is a convincing proof that the interrupted speculation and falling prices are not founded upon weakness or impending trouble in the general business situation. The small number of mercantile failures also attests the soundness of trade conditions, and there are no visible signs of serious trouble in legitimate business operations. Hence the pessimistic conclusions, hastily formed, in regard to the future prosperity of the country, are not warranted by the facts of the case. The truth is that real and substantial prosperity has, unfortunately, had an exhilarating, not to say intoxicating, effect upon the oversanguine classes of the community, and the result has been overspeculation and inflation in every direction available to the enterprising agents of schemers and promoters. The reaction, which has been progressing, and from the effects of which we are still suffering, is a severe but wholesome check to the wild and extravagant movements which threatened real disaster. The episode, unpleasant as it may be to the interests involved, should be considered as a relief and not as a menace.

An unprejudiced view of the case will lead to the conclusion that instead of interfering with the real prosperity of the country, the restraint placed upon speculation will prove to be highly beneficial. If this is a correct view we are justified in expecting an early renewal of business activity upon a substantial and permanent foundation.

THE WORK OF THE CONVENTION.

That the American Bankers' Association is steadily growing in importance and influence is attested not only by the increasing interest shown in its annual conventions, but also in the steady enlargement of its membership. This last is becoming a feature of such decided prominence as to merit special comment and emphasis. The Secretary of the Association, Mr. James R. Branch, reports that in the thirteen months from September 1, 1902, to October 1, 1903, there was a net addition to the membership of 826, and he states that this is the

largest number of banks ever added to the rolls of the Association in the same space of time.

The total of paid membership on October 1, 1903, is given as 7,065. Over seven thousand members is certainly an imposing list, and the record is the more noteworthy in view of the circumstance that the growth has occurred mainly during the last few years, as becomes evident when comparison is made with September 1, 1895, and it is found that the total of paid membership at that time was but little over fifteen hundred—1,570. What is still more significant, however, particularly as illustrating the magnitude of the financial interests represented in the Association's membership, is the fact that the aggregate capital, surplus and deposits of the members is given by Mr. Branch as \$10,547,230.405. Think of a bankers' guild or organization which has behind it 10½ thousand million dollars!

Next to the report of the Special Currency Committee appointed at last year's convention, and which we review at length in a preceding article, the action and developments of most consequence were those in relation to the proposition to have the Association engage in the fidelity insurance business for the purpose of bonding employees and the plan for a general money order system. The suggestion that the Association do its own fidelity insurance was strongly advocated in an exceptionally able report by the Committee on Fidelity Insurance. The Committee on Fidelity Insurance was established some five years ago and has rendered services of great value to the members of the Association. Rates for writing bonds have been considerably reduced as a result of its efforts, and the Committee also some time ago copyrighted a form of bond which is now very extensively used and which, it is admitted, contains many advantages over any form of bond previously in use. The Committee thinks that the time has now arrived when the Association should do its own bonding business. In its report, therefore, it recommended that the Association establish what was to be known as the American Bankers' Guaranty Fund, under the management of a Board of Trustees to be appointed by the Executive Council, to guarantee the fidelity of the employees of banks which are members of the association. An amendment to one of the articles of the constitution was offered with the view to creating this "American Bankers' Guaranty Fund."

In support of its contention the Committee pointed out that the members of the Association are now carrying \$133,705,570 in bonds and are paying annual premiums of \$388,779 against a loss averaging for the past ten years not to exceed \$45,000 per annum. In view of such figures the Committee felt that the bankers of the United States are paying an excessive rate for this class of insurance. The Committee is convinced of the practicability of such a plan, saying:

"It is not an untried experiment, for it has been in practical operation in England for thirty-eight years under the Bankers' Guaranty & Trust Fund, and for thirty-seven years under the Colonial Trust Fund. The number of employees bonded in the Bankers' Guaranty & Trust Fund is almost iden-

tical with that of the membership of this Association. The average losses in this country vary only seven cents on the \$1,000 from that in foreign countries, as shown by statistics gathered by this committee.

In addition to these companies we have the evidence of the Union Bank of London, which established a fund in 1890; the London & City Midland, which established a fund in 1889; the Bank of Scotland's Guarantee Fund, established in 1869; Glynn's Guarantee Fund, established in 1865, and the Bank of England Guarantee Fund, established in 1841. All these funds have and are being successfully managed and are highly recommended by the leading banks of England, and in our own country we have the Adams Express Company and the American Express Company, who bond their own employees.

As it happened, though, these suggestions of the Fidelity Committee were opposed by the Executive Council. The result was that the report led to very extensive and active discussion, and that the proposition, after long debate, was eventually defeated—at least for the present, as may be seen by reference to the detailed report of the proceedings which we give on subsequent pages. It was argued, and apparently with much force, that owing to its importance, the matter should go over for another year for further consideration. A motion, however, to refer the proposed amendment to the Executive Committee was lost by 120 to 138. The proposal to amend the Constitution so as to allow of the formation of the surety arrangement proposed, also failed to carry. The vote in this instance was 133 yeas to 98 nays, but as constitutional amendments require a two-thirds vote this majority was not sufficient for the adoption of the amendment. It is obvious that the matter is not to be allowed to rest here—unless indeed the fidelity companies should greatly reduce their rates—for the Convention the next day adopted a resolution continuing the existence of the Fidelity Committee.

The other important step taken at this year's convention was the vote in favor of a plan for a general money order system. This is a subject that has excited active discussion in the past, and Mr. L. P. Hillyer, Cashier of the American National Bank of Macon, Ga., read an instructive paper on "Money Orders of Bankers' Associations," in which he dealt with the extent and profitable nature of the business. He pointed out that the Post Office now does a daily business in money orders of over \$1,200,000, averaging about \$7 per order. As to the express companies, he cited figures to the effect that in the year ending December 31, 1899, money orders were sold by all express companies to the number of 10,135,052, aggregating a total amount of \$120,040,277. These express money orders averaged \$11.84 per order, and the average rate was 10 cents per order. Mr. Hillyer noted that it was estimated that a clean profit of \$3,000,000 is annually made by the Government and the express companies in the selling of these orders; and the business is steadily growing. The meaning of the action of the convention is that the banks in the Association will have a uniform bank money order system, and will compete in business with the ex-

press companies and the Post Office. The idea is to put into effect a reduced fee schedule and to make provision so that a bank money order may be cashed at any bank in the country. The point of greatest difficulty will be how to make such money orders safe in every contingency. As Mr. Hillyer well said, the most successful Bank Money Order System ever devised, or that can ever be devised, will ultimately fail if an occasional order is allowed to go to protest.

Brief reference may be permitted to the annual address of the retiring President, Mr. Caldwell Hardy, President of the Norfolk National Bank, of Norfolk, Va. This address was in admirable taste and form. While Mr. Hardy's remarks were necessarily general in their nature, they covered quite a variety of topics, and were in harmony with the generally accepted views of those best qualified and experienced to form correct conclusions on the subjects touched upon.

The papers read at the convention all dealt with timely topics, and most of them were of wide and general interest. They were also of an unusually high order of merit. We can recall no Convention that excelled in this respect. Treasurer Ellis H. Roberts spoke at length on "The Effects of the Inflow of Gold," and furnished an interesting array of figures in support of his thesis. Mr. William B. Ridgely, Comptroller of the Currency, in his discussion of "The Business Situation and the Currency," took a broad view of the existing reverses in financial circles. He argued with much force that the great prosperity in business which the country has enjoyed in recent years has been based on the very best foundations—that it has been the result of the most legitimate causes and forces, and that all these are not only still in operation, but give every evidence of continuance. He also took occasion to point out that it is a mistake to suppose that Wall Street alone is to blame for the troubles that have occurred or that Wall Street alone is to suffer from their effects. In his opinion it may be necessary "to pause a little to get our breath after the pace we have gone, but if there is any serious check it will only be because we have lost our nerve and courage." Nor can we omit mention of the address by J. E. McAshan, Cashier of the South Texas National Bank, of Houston, Texas, on "The Money Supply of the United States." This was an eloquent discussion of the subject which is attracting so much attention, though Mr. McAshan's views do not accord entirely with our own.

It is significant that all these speakers, as well as President Caldwell Hardy, dwelt upon the great increase in the money in circulation in the United States which has occurred in recent years, and the most of them seemed to think with Mr. Hardy that "we have had, so far, all the currency we have needed, and that an increase of it just at this time would lend a further undesirable stimulus to speculation." An entirely different attitude appears to be held towards propositions for an emergency circulation to cover needs on spe-

cial occasions or at special seasons of the year, Mr. McAshan in particular having urged provision for such circulation.

THE SAVINGS BANK SECTION.

The present was the first annual meeting of the Savings Bank Section, it having been established at last year's Convention of the American Bankers' Association. In the brief period of twelve months which have elapsed since then it has developed into a body of considerable power and influence, forming an important addition to the Association and furnishing a new source of strength to the same. One would have hardly supposed that the new Section could so quickly have become a demonstrated success. The Secretary, in his report, was able to state that the membership now numbers 548, representing about half the savings banks in the United States. A more creditable showing than this was hardly possible. The success achieved is due altogether to the indefatigable efforts of the Executive Committee and of the tireless Secretary of the new Section, Mr. William Hanhart, who went ahead with great vigor and persistency to secure new members and to carry out the work of the new Department.

The papers read at the Convention and the deliberations and discussions on the floor offered evidence, too, that in the Savings Bank Section a field of great usefulness has been opened up. The papers were all pertinent to the work of the body, and they bear indications of having been prepared with care and deliberation—not hastily or perfunctorily, as happens when the task is delayed too long.

Mr. Willis S. Paine, ex-Superintendent of Banking of this State and now President of the Consolidated National Bank of this city, contributed one of the papers. His theme was "Savings Banks that Have Failed." Out of his abundant experience he was able to furnish some pointed instances of bank failures, and to make certain valuable generalizations as to the causes of such failures, and the precautions to take to prevent their recurrence. An allusion in his address to the possibilities of the growth and development of Socialism has excited wide comment, and subjected him to much adverse criticism. Mr. Paine believes that Socialism is a coming danger in this country—that to a material degree it will be the "ism" of the future. He refers to the magnitude of the immigrant arrivals and to the fact that a great change has occurred in the character and composition of this foreign influx. The greater portion of the immigrants now consists of classes which do not readily adopt our customs. They are of a low order of intelligence, fitted only for low grades of manual labor, the American spirit is foreign to them, and they are "non-assimilating." Adverting to the talk in financial circles concerning "undigested securities," he declares that quite as great an evil in the body politic is liable to follow from what may be termed "undigested aliens."

From this bare reference to the matter, one might perhaps be warranted in concluding that Mr. Paine's remarks on the point in question were not strictly germane to his theme. Careful reading of the whole paper, as we publish it on subsequent pages, will serve to correct erroneous impressions on that score. We are not of those who sniff danger from the source indicated, but it is well that the reader should understand that Mr. Paine's argument is a connected one throughout, and that his reference to Socialism fits in perfectly as a part of it. Mr. Paine has a high and lofty idea of the functions and usefulness of savings institutions. He would foster their growth and encourage their use, and he would have the State safeguard and protect the interests committed to their care. He points out that savings banks are a latter day institution, which fact is evidence that in the development of the world's civilization the moral and material keep each other company, and progress to a common end.

Any institution, he well says, that encourages frugality and provides means for the safe keeping of savings serves a better purpose in inducing provision for the future than do almshouses for the improvident. He regards savings banks as "bulwarks against Socialism." In this sense he thinks the action of the Legislature of New York State, year before last, in levying an annual tax of one per cent. on the surplus and undivided earnings of savings institutions was a mistake. He also notes that outside of New York and New England there are but few States where fully protective savings bank legislation exists. If, therefore, Socialism is to be the "ism" of the future, as he fears and predicts, he would oppose to it patriotism and wise and remedial legislation. This in substance is his argument, as we understand it, and whether or not one agrees with him, in his premises or his conclusions, no fault can be found with the general nature of the advice he gives.

The paper of Secretary Hanhart on "Trust Accounts in Savings Banks" was both interesting and instructive. It contains some sound and sensible suggestions on the subject discussed and which cannot but prove helpful to those administering savings bank affairs. The hints given furnish an excellent illustration of the advantages which follow from mutual association with the resulting interchange of experience.

The paper of Mr. Charles E. Sprague, President of the Union Dime Savings Institution of this city, entitled "Some Thoughts on Bond Accounts," is also one the perusal of which must prove profitable to every bank official, and in fact to all those who have occasion to make bond investments. Mr. Sprague discusses the treatment of accrued interest, and also the proper way to deal with the premium or discount on bonds purchased at a price in excess of or below par. He objects to the practice of annulling premiums and discounts in such cases and treating them as non-existent. He points out that many institutions

of high standing state all their bonds at par, charging off at once to profit and loss all premiums paid, but argues that such a course is not correct. As a bank at each recurring interest date recovers part of the premium paid through the excess of interest which it receives on the par of the bonds over the interest yield at which the bond was purchased, he would charge off the amount of the difference, thus gradually diminishing the premium, until at maturity the bond would stand on the books exactly at par. It appears to us that this method is the correct one. No one interested in the subject can afford to pass Mr. Sprague's paper by.

Mr. Lucius Teter, Cashier of the Chicago Savings Bank, in speaking with reference to "Savings Bank Advertising," expressed the opinion that savings banks *should* advertise, and in most cases *must* advertise to enable them long to continue a steady growth. He argued, however, in favor of dignified advertising. "Don't publish a list of your directors in the local paper or put a card in the church calendar and a picnic program, and let it go at that. Rather carry out a definite policy of publicity, manfully telling the people who you are, where you are, and what you can do for them." He believes, furthermore, that savings bank officials should keep in close touch with their depositors. This last, of course, is a condition hardly possible in a large city like New York.

Mr. Fred. Heinz, President of the Farmers' and Mechanics' Savings Bank of Davenport, in treating of "The Dangers Threatening the Savings Banks," had in mind mainly the possibility of the establishment of Government Savings Banks. He well said that to keep the present savings banks in popular favor, it is absolutely necessary that the greatest safeguards be provided for the safety of the deposits. Some of the suggestions he made to that end showed that his viewpoint was that of the West. He offered a motion that a committee of three be appointed to report on the statutory enactments of the savings banks in the different States, with the view to preparing a general bill that might be used in all the States, to be presented for consideration at the next annual Convention. A bill equal to meeting the diverse and varied requirements of every one of the States would seem not easy of attainment, but the Convention adopted the resolution, and the Committee of three has accordingly been appointed.

THE TRUST COMPANY SECTION.

The Trust Company Section continues to show growth the same as the other departments of the American Bankers' Association. Secretary Branch reports that while 16 companies have withdrawn during the year, no less than 103 new members have been added to the rolls, affording a net gain of 87, and raising the total membership from 414 on September 1, 1902, to 501 on October 1, 1903, an increase for the thirteen months of 21 per cent.

One of the most important reports submitted the present year was that of the special committee appointed last year to devise a system for the audit of Trust Companies. This committee has found it impossible to formulate a general plan, but has, nevertheless, rendered useful work and offers some valuable suggestions. It appears that there are few Trust Companies that have auditors strictly so-called—in New York City not any. Each company has periodical examinations made either by a committee from its Board of Directors or by an expert accountant or audit company employed for the purpose. The methods of the Trust Companies vary greatly, though all strive to accomplish the same result. The reason why it has been impossible to formulate a general plan is that a system suitable for a large Trust Company, carrying on a general Trust and banking business in New York or Chicago or other large city, would be practically useless for a small company carrying on a Trust business pure and simple in a small town. Speaking generally, the committee says it may be declared that the business of each Trust Company differs from the business of the other Trust Companies; that nearly every one has its specialties and that these differences are so very wide and so very marked as to cause the greatest variety in the methods of keeping accounts, records, etc.

While, however, the committee could not carry out the instructions to formulate a general system or plan, it gives the members of the Trust Company Section the benefit of the information gathered by it, and appends the separate suggestions of three auditors—namely, E. C. Jarvis, of the Northern Trust Company, Chicago; T. R. Robinson, of the Fidelity Title & Trust Company, Pittsburgh, and of Claude Hamilton, Assistant Secretary of the Michigan Trust Company, of Grand Rapids. The committee also makes suggestion as to the adoption of certain elementary safeguards which can be utilized by all Trust Companies, large or small, such as that bookkeepers be frequently shifted and that the custody of all securities should lie in two officers, neither having access to the securities unless accompanied by the other.

Only three papers were read before the Trust Company Section this time. One was that of Lyman J. Gage, ex-Secretary of the United States Treasury, and now President of the United States Trust Company, of this city. Mr. Gage's subject was "The Problem of Wealth and the Trust Company as Trustee." He pointed out that when a man becomes possessed of wealth he frequently learns that wealth is a burden and often a heavy one. He discovers an innate tendency in accumulated treasure to take unto itself wings; he finds that money flies as well as "talks;" he is apt to learn how easy it is to lose in an hour the careful savings of months and years, and he begins to realize that when he loans *money* he is apt to borrow *trouble*.

In his charities he finds that he has become "a kind of human Providence to a dependent group,

for the members of which, in varying degrees of duty, it is his pleasure to extend a protecting and helping hand." Sooner or later the obligation must be discharged to make a wise disposition of his fortune, and Mr. Gage argues strongly in favor of using the Trust Company as administrator, executor, or guardian or trustee. "Enjoying perpetuity, it is not subject to the vicissitudes of death; controlled by the provisions and limitations of its charter, it is kept by the strong hand of the law within the limits of conservative operations. Presumably managed by a competent Board of Directors, the beneficiaries of the Trust have the advantage of the collective wisdom of experienced men, and in financial matters 'in a multitude of (experienced) counselors there is safety.' Inspected by independent officers of the State, any wrong doing by the officers of a Trust Company cannot long remain undiscovered. Possessed of ample capital, the beneficiary is guaranteed against loss through errors of willful dishonesty. Moreover, the Trust Company in managing many estates can do so with an economy not possible to individual trustees."

Mr. Philip S. Babcock, the Trust Officer of the Colonial Trust Company, of this city, talked about "Escrows: A Varied and Profitable Feature of Trust Company Business." He dealt with escrows not in a narrow and restricted sense, but in the larger scope in which they have come to be used in recent years, such as in corporate reorganizations or yet again in the organization of new companies where a Trust Company is selected to hold the stock in escrow and deliver it as sold. He points out that in this last instance there is always the danger of the Trust Company being held liable for the representations and promises contained in circulars and prospectuses even when its services have been limited to distributing such papers. He also gave illustrations of the numerous amount of work and the multi-

tudinous details often involved in the large consolidations which have become a feature of the day. His remarks were along a new line and decidedly interesting.

The third paper was that of Mr. P. C. Kauffman, of the Fidelity Trust Company, of Tacoma, Wash., on "The Trust Company Movement in the Pacific Northwest." Like Mr. J. Dalzell Brown, of the California Safe Deposit & Trust Company, in a paper read last year, Mr. Kauffman was obliged to point out that the Trust Company had not yet become a recognized institution on the Pacific Coast in the sense that it has become such here in the East. He declared that to give the history of the Trust Company movement in a section of the United States in which it has but started is almost as difficult as to write a biographical sketch of a new born infant.

Of the three States comprising the Pacific Northwest, Oregon, Washington and Idaho, but two of them, Washington and Idaho, have enacted legislation regulating the organization and management of Trust Companies, and these laws are of too recent a date to admit of any judicial construction or practical experience as to their adaptability and value. He gave, however, a description of the Trust Companies organized under the general corporation laws of the States referred to, and showed that they have made considerable advance, despite the many drawbacks to their development which have existed.

Mr. Kauffman depicted in glowing terms the possibilities opening up to the Pacific Northwest, and laid great stress on the fact that in the development of the commerce of the Pacific Coast the opportunities for usefulness for the Trust Companies in that section will be very great. Upon these Trust Companies will ultimately devolve the work of financing the great enterprises that will open up the abundant riches and resources of that part of the country.

INDEX TO ADVERTISEMENTS.

	PAGE.		PAGE.		PAGE.
ALBANY, N. Y.		INDIANAPOLIS, IND.		LYBRAND, ROSS BROS. & MONTGOMERY	
NATIONAL COMMERCIAL BANK.....	1601	CAPITAL NATIONAL BANK.....	1705	MACRAE (FIRM OF), FARQUHAR J.....	1598
UNION TRUST COMPANY.....	1601	JERSEY CITY, N. J.		MAITLAND, COPPELL & Co.....	1597
ATLANTA, GA.		COMMERCIAL TRUST Co.....	1577	MARKET AND FULTON NATIONAL BANK.....	1608
LOWRY NATIONAL BANK.....	1594	FIRST NATIONAL BANK.....	1607	MERCHANTS' NATIONAL BANK.....	1605
BALTIMORE, MD.		LONDON, ENG.		MORGAN (J. P.) & Co. Outside Back Cover	
FARMERS' AND MERCHANTS' NATIONAL BANK.....	1595	NATIONAL DISCOUNT Co.....	1585	NATIONAL BANK OF NORTH AMERICA.....	1604
BIRMINGHAM, ALA.		UNION DISCOUNT Co.....	1584	NATIONAL PARK BANK.....	1602
ALABAMA NATIONAL BANK.....	1594	LOUISVILLE, KY.		REAL ESTATE TRUST Co.....	1703
FIRST NATIONAL BANK.....	1594	AMERICAN NATIONAL BANK.....	1591	SEABOARD NATIONAL BANK.....	1604
BOSTON, MASS.		MILWAUKEE, WIS.		SMITH (EDWARD B.) & Co.....	1599
AMERICAN LOAN AND TRUST Co....	1601	FIRST NATIONAL BANK.....	1580	UNITED STATES MORTGAGE AND TRUST.....	1577
INTERNATIONAL TRUST Co.....	1600	MILWAUKEE TRUST Co.....	1581	VERMILYE & Co.....	1561
KIDDER, PEABODY & Co.....	1637	MINNEAPOLIS, MINN.		WHITING PAPER Co.....	1583
LEE, HIGGINSON & Co.....	1563	FIRST NATIONAL BANK.....	1572	WILKINSON, RECKITT, WILLIAMS & Co.....	1587
MASON, LEWIS & Co.....	1576	NORTHWESTERN NATIONAL BANK....	1572	WINSLOW, LANIER & Co.....	1702
OLD COLONY TRUST COMPANY.....	1600	STEVENS (EUGENE M.).....	1573	NORFOLK, VA.	
ROLLINS (E. H.) & SONS.....	1566	MOBILE, ALA.		NATIONAL BANK OF COMMERCE.....	1595
BROOKLYN, N. Y.		PEOPLE'S BANK.....	1594	NORFOLK NATIONAL BANK.....	1595
BROOKLYN TRUST COMPANY.....	1609	MONTREAL, CANADA.		OTTAWA, ONT.	
LONG ISLAND LOAN AND TRUST Co..	1603	BANK OF MONTREAL.....	1596	BANK OF OTTAWA.....	1597
PEOPLE'S TRUST Co.....	1609	MORRISTOWN, N. J.		PHILADELPHIA, PA.	
CHICAGO, ILL.		MORRISTOWN TRUST Co.....	1606	AUDIT CO. OF NEW YORK.....	1604
AMERICAN GUARANTY Co.....	1582	NASHVILLE, TENN.		BARNEY (CHAS. D.) & Co.....	1599
AMERICAN TRUST AND SAVINGS BANK		AMERICAN NATIONAL BANK.....	1591	CENTRAL NATIONAL BANK.....	1598
Inside Front Cover		FIRST NATIONAL BANK.....	1591	CLARK (E. W.) & Co.....	1564
AUDIT COMPANY OF ILLINOIS.....	1708	FOURTH NATIONAL BANK.....	1591	FARMERS' AND MECHANICS' NATIONAL BANK.....	1598
AUDIT COMPANY OF NEW YORK.....	1604	NEWARK, N. J.		FOURTH STREET NATIONAL BANK....	1598
BECKER (A. G.) & Co.....	1578	FIDELITY TRUST Co.....	1608	GIRARD NATIONAL BANK.....	1703
CHICAGO NATIONAL BANK.....		NEW ORLEANS, LA.		GIRARD TRUST Co..... Inside Front Cover	
Inside Back Cover		CANAL BANK AND TRUST Co.....	1593	LYBRAND, ROSS BROS. & MONTGOMERY	
CONTINENTAL NATIONAL BANK.....	1578	CITIZENS' BANK OF LOUISIANA.....	1593	PHILADELPHIA NATIONAL BANK.....	1599
DEVITT, TREMBLE & Co.....	1706	COMMERCIAL NATIONAL BANK.....	1593	SMITH (EDWARD B.) & Co.....	1599
EQUITABLE TRUST Co.....	1708	GERMANIA NATIONAL BANK.....	1593	STERRETT (J. E.).....	1587
EVERSE, FOLLANSBEE & Co.....	1579	HELLWEGE (PETER) & Co.....	1595	PITTSBURG, PA.	
FEDERAL TRUST AND SAVINGS BANK..	1707	HIBERNIA BANK & TRUST Co.....	1593	CAROTHERS (JAMES) & Co.....	1704
FORT DEARBORN NATIONAL BANK....	1575	INTERSTATE TRUST AND BANKING Co.	1593	HILL (Geo. B.) & Co.....	1705
MASON, LEWIS & Co.....	1576	LOUISIANA NATIONAL BANK.....	1593	HOLMES (N.) & SONS.....	1704
McKEAND (W. B.) & Co.....	1706	METROPOLITAN BANK.....	1593	ROBINSON BROS.....	1704
MERCHANTS' LOAN AND TRUST Co..	1575	NEW ORLEANS CLEARING HOUSE....	1592	ROBINSON & OER.....	1704
MIDDLETON (J. W.) & Co.....	1578	NEW ORLEANS NATIONAL BANK....	1593	UNION TRUST Co.....	1705
NORTHERN TRUST Co..... Inside Back Cover		PEOPLE'S BANK.....	1593	WHITNEY & STEPHENSON.....	1705
NATIONAL BANK OF NORTH AMERICA	1574	STATE NATIONAL BANK.....	1593	PORTLAND, ORE.	
NATIONAL LIVE STOCK BANK.....	1576	TEUTONIA BANK AND TRUST Co.....	1593	LADD & TILTON.....	1568
RUSSELL (J. B.) & Co.....	1579	WHITNEY NATIONAL BANK.....	1593	PORTLAND TRUST Co.....	1567
UNIVERSITY OF CHICAGO PRESS.....	1708	NEW YORK CITY.		U. S. NATIONAL BANK.....	1568
WESTERN TRUST AND SAVINGS BANK	1575	APPLETON (D.) & Co.....	1587	PROVIDENCE, R. I.	
WILKINSON, RECKITT, WILLIAMS & Co.....	1587	AUDIT CO. OF NEW YORK.....	1604	AMERICAN NATIONAL BANK.....	1602
CINCINNATI, OHIO.		BANKERS' TRUST Co.....	1703	RHODE ISLAND HOSPITAL TRUST Co.	1601
KLEYBOLTE (RUDOLPH) & Co.....	1571	BANK OF MONTREAL.....	1596	RICHMOND, VA.	
CLEVELAND, OHIO.		BANK OF NEW YORK, N. B. A.....	1604	WILLIAMS (JOHN L.) & SONS.....	1583
CENTRAL NATIONAL BANK.....	1590	BARNEY (CHAS. D.) & Co.....	1599	SAN FRANCISCO, CAL.	
DENVER, COL.		BROWN BROS. & Co.....	1562	BANK OF CALIFORNIA.....	1567
DENVER NATIONAL BANK.....	1571	CANADIAN BANK OF COMMERCE.....	1596	CALIFORNIA SAFE DEPOSIT AND TRUST Co.....	1567
FIRST NATIONAL BANK.....	1570	CENTRAL NATIONAL BANK.....	1565	CANADIAN BANK OF COMMERCE.....	1596
INTERNATIONAL TRUST Co.....	1571	CONTINENTAL TRUST Co.....	1602	ROLLINS (E. H.) & SONS.....	1566
ROLLINS (E. H.) & SONS.....	1566	EQUITABLE NATIONAL BANK.....	1602	SEATTLE, WASH.	
WESTERN BANK.....	1571	EQUITABLE TRUST Co.....	1603	SCANDINAVIAN AMERICAN BANK....	1569
DETROIT, MICH.		FARMERS' LOAN AND TRUST Co.....	1610	WASHINGTON NATIONAL BANK.....	1569
STATE SAVINGS BANK.....	1706	FISK (HARVEY) & SONS.....	1630	ST. LOUIS, MO.	
UNION TRUST Co.....	1706	FISK & ROBINSON.....	1564	AMERICAN EXCHANGE BANK.....	1590
GRAND RAPIDS, MICH.		FOURTH NATIONAL BANK.....	1674	EVERSE, FOLLANSBEE & Co.....	1579
DEANE (EDWARD M.) & Co.....	1707	GALLATIN NATIONAL BANK.....	1703	GERMANIA TRUST Co.....	1588
MICHIGAN TRUST Co.....	1707	HALSEY (N. W.) & Co.....	1564	MISSISSIPPI VALLEY TRUST Co.....	1589
HOLYOKE, MASS.		HANOVER NATIONAL BANK.....	1609	THIRD NATIONAL BANK.....	1590
WHITING PAPER Co.....	1563	HASKINS & SELLS.....	1586	ST. PAUL, MINN.	
		IRVING NATIONAL BANK.....	1603	MERCHANTS' NATIONAL BANK.....	1573
		JONES, CAESAR & Co.....	1586	TACOMA, WASH.	
		KEAN, VAN CORTLANDT & Co.....	1561	FIDELITY TRUST Co. BANK.....	1589
		KIMBALL (R. J.) & Co.....	1573	PACIFIC NATIONAL BANK.....	1569
		KNATH, NACHOD & KUHNE.....	1597	TORONTO, CANADA.	
		KNICKERBOCKER TRUST Co.....	1581	BANK OF TORONTO.....	1597
		LETHAM, ALEXANDER & Co.....	1606	CANADIAN BANK OF COMMERCE.....	1596
		LEATHER MANUFACTURERS' NATIONAL BANK.....	1605	DOMINION BANK.....	1597
		LIBERTY NATIONAL BANK.....	1563		

BANKING SECTION

AMERICAN BANKERS' ASSOCIATION.

29th Annual Convention, Held at San Francisco, October 20, 21, 22 and 23

INDEX TO CONVENTION PROCEEDINGS.

The Currency, by William B. Ridgely -	Pages 1623 to 1626	Annual Report of the Treasurer -	Page 1643
Inflow of Gold, by Ellis H. Roberts -	Pages 1627 to 1630	Report of Auditing Committee -	Page 1658
Money Supply, by J. E. McAshan -	Pages 1631 to 1633	Report of Executive Council -	Pages 1644 to 1645
Money Orders, by L. P. Hillyer -	Pages 1633 to 1634	Report of Protective Committee -	Pages 1646 to 1648
Education of Bank Clerks, by J. B. Finley	Pages 1635 to 1637	Report of Currency Committee -	Pages 1645 to 1646
Detailed Report of Proceedings -	Pages 1638 to 1674	Report of Committee on Uniform Laws	Pages 1654 to 1655
Addresses of Welcome -	Pages 1638 to 1640	Report of Committee on Education -	Page 1655
President Caldwell Hardy's Address -	Pages 1640 to 1643	Report American Institute of Bank Clerks	Pages 1655 to 1657
Annual Report of the Secretary -	Page 1643	Report of Committee on Fidelity Insurance	Pages 1648 to 1649

The Business Situation and the Currency.

By WILLIAM B. RIDGELY, Comptroller of the Currency.

During the years of very active and prosperous business which we have had since the country began to recover from the depression following the panic of 1893, there has been a very marked improvement in the fundamental condition of our people and the amount of both capital and wealth they have produced and saved. This is especially true among the farming and producing classes, who have not paid off a vast amount of debt, but have accumulated money and property of all kinds to a greater extent than ever before. There has been a great increase in the volume of money in circulation among the people, and there is more money in the banks to their credit. Since 1896 there has been a greater increase in the amount of money in circulation than during any other like period, and about 80 per cent. of this increase has been in gold. We are continuing to add about eighty millions a year to our gold in circulation and about one-half of all the currency in circulation is gold. Our prosperity in business has been based on the very best foundation. It has been the result of the most legitimate causes, and forces, and all these are not only still in operation, but give every evidence of continuance. As is always the case, however, in such times, this movement of activity has been accompanied by a large amount of speculation, not only in stocks, bonds and securities, but in many other lines, and credits have become more and more expanded. In stock speculation and promotion especially we have gone too fast, with the inevitable result of a serious collapse, and such a decline in prices that people are becoming alarmed and beginning to ask if this may not end the whole movement of prosperity. This causes doubt and increasing hesitation in business circles. There is also a demand for financial and currency legislation, or governmental aid in meeting the situation as it exists at the present time. While these important questions are all more or less connected and interwoven, the business situation is not to any very great extent due to currency or financial causes, and it is not to legislation we should look for permanent relief. If we had a better, and especially a more elastic, currency system, we might have been spared from some disturbances. If the surplus revenues of the Government

had not been taken out of general circulation, there might not be so much fear of a tight money market. But, on the other hand, if there has not been the most absolute confidence in the soundness of our currency, the disturbances in the markets for securities of the past two years would probably have spread very much farther, and doubtless ended in a serious crisis with severe industrial and commercial depression. If there had not been a large surplus revenue and plenty of money in the United States Treasury, the Secretary might not have been able to render the assistance he has to the money market on several occasions when he checked trouble due to causes entirely apart from all questions of currency or governmental finance. It is true that there are some changes in our Government financial system and paper currency which are needed and which might be made to very great advantage. If they were in force, these changes might now be very useful, but this situation is not due to the lack of them. We should make such a change in the collection and disbursement of the National revenues as will prevent the withdrawal of vast sums of money from business just when most needed. There is nothing so sacred about Government funds that they should not be handled through the banks like other people's funds so they would produce the least possible derangement of business. If any of the great corporations should handle its funds as the Treasury of the United States does and lock up such a vast sum of cash in its own vaults, legislation would immediately be demanded to stop it. We should at once pass such legislation as is needed to have the Treasury stop it and let money and business alone as much as possible. The less the Government has to do with business and business with the Government, the better for both.

I am a thorough believer in currency reform and agree with those who wish to see the greenbacks retired, the silver withdrawn down to the point which is practically subsidiary coinage or currency, leaving nothing in circulation but gold, as coin or certificates, and a real bank note circulation by gold reserves with such regulations for issue and redemption that it would be a matter of indifference to the banks whether their credits re-

mained with them as deposits or were circulating as notes. This is the only true solution of our currency matters, and I hope to see it some day accomplished. This, however, is a thing which can only be gradually done, and has little or no practical bearing on the present business situation. We have another very different system in force, and it is with it we have to meet and cope with our present problems. It has two very great advantages. Our people are used to it, and have had no experience with any other. Only the veterans in business remember anything different. Its greatest advantage is, however, its absolute safety and soundness. Realize what this has meant in the last year or two, and especially in the last few months. If there had been the slightest doubt or uncertainty in regard to any of our currency, our standard of value, or our national finances, the squalls we have thus far stood so well would have developed into a cyclone that would have swept the whole country, leaving ruin and disaster on every side. It is a very good system which resists such strains, and there is great force in the argument that this is not the time for any very radical change if we should now attempt any at all. What is needed now is business sense and good judgment, not legislation. We may need currency legislation as we have needed it for years, but it is not to meet this situation, and there is no use to delude ourselves with the hope that legislation will help us out of trouble due to overexpansion and speculation. We need all the reserve money we can get, but legislation will not produce it. We must wait for the accumulation of gold, the only real reserve money. It will be no real help to make a further large increase in bank note circulation and no one would think of adding to the volume of the greenbacks. No legislation can change fixed capital to productive capital. That is merely a question of time, and there is nothing to do but to wait for it.

There is also a tendency toward recrimination and placing the blame for present business conditions on some one else; for one section of the country to blame another; for the West to say it is all the fault of the East and Wall Street. Some very foolish people say they are glad to see the speculators lose because they alone are to blame and the rest of the people will not be hurt. There can hardly be any more mistaken view than this: There is no man, woman or child in the civilized world so poor, so remote, or obscure as not to be more or less affected by the large movements in the financial centers. Very recently I have known personally of enterprises in the mountains of North Carolina, in California, in Hawaii, in Alaska and in the Philippines whose proposed operations have been curtailed on account of the uncertainty of the money market. The result is that the amount of money to be spent for wages and supplies among people so widely separated in different parts of the world has been reduced, and these people who, if they have ever heard of such matters, regard themselves as far beyond their reach and influence, have been directly affected in the amount of their wages and incomes and the prices of their products. These are only examples of thousands of similar cases, and no one can say he is not concerned. The ramifications of business in all parts of the world are so intricate and far-reaching that what affects the money market in any large way reaches us all. It is true that there has been overspeculation, much of it wild and foolish; some of it fraudulent and dishonest. It does no good, however, to scold and blame the speculator. He always follows and participates in such a movement and always will until human nature changes. The purely gambling speculation on margins is only the fringe of the great trading and dealing in stocks and securities in Wall Street, which is a necessary part of modern business. Do not misunderstand me as defending or even excusing this speculation. There is entirely too much of it, and too many business and professional men, bankers and bank officers, have been tempted and acquired the habit of speculation during the last few years of rapidly advancing prices. It should be stopped if

there is any way to do it, and you, as bankers, can do as much to discourage, if not prevent it, as any one can. This sort of speculation, however, is not by any means a chief or leading factor in the situation. The whole movement since the revival in business came has been more or less speculative, and just as business has been unduly depressed and prices lower than they should have been, we have gone to the other extreme. Wall Street and the speculators are perhaps not so very much more to blame than the rest of the country. Where is the man or the bank entirely free from sin to cast the first stone? You may not speculate on the Stock Exchange, or underwrite promotions, but it will be hard to find the bank whose officers or chief customers are not in some local promotion or combination which is more or less speculative. Properly enough, too, in many cases perhaps, for it is often one of the best services a bank can render its own community to encourage local enterprises which are legitimate, and which are to be in honest and competent hands. The strongest claim which is made for our system of locally owned, independent banks is that they develop local institutions, and are able to lend their credit to worthy local enterprises and deserving men where personal knowledge of the moral risk justifies credit which would not otherwise be granted. The interests of the whole country are so bound up together that no one section can truthfully say we have plenty of money and can take care of ourselves no matter what happens in Wall Street. The manifestations, of course, come in the financial centers, where there are daily quotations of prices and rates of interest and weekly statements of bank conditions, but people in all parts of the country are doing business and lending or borrowing money in the financial centers, especially in New York. Every day there are transactions and negotiations there affecting widely scattered parts of the country, and no one can tell how soon or to what extent these may influence his own business, the returns on his investments, his savings account, or his insurance policy, the market for the products of his farm, his mine or his factory, the sale of goods from his store or his wages, and the cost of living for his family. No one is so isolated or self-contained as to be entirely free from the effects of any important financial change or disturbance.

This is no time for any feeling or discussion between different sections of the country, classes of people, or lines of trade as to who is most to blame or who can stand it best. We are all face to face with the situation and equally interested. It is no time for passion or excitement, panic or fear, but for quiet, calm consideration, courage and firm action based on good judgment and conservatism. Considering all the circumstances and the pace at which business has been going for the past few years, it is not so surprising that there has been such a decline in the prices of securities, but rather that the country has stood it all so well, and that there has been no panic, so little trouble with the banks and so few failures. There could be no clearer demonstration of the inherent strength of our conditions and of the absolute confidence in our currency and Government finances.

Beginning with the stock panic in May, 1901, there have been repeated and tremendous slumps in the prices of stocks and securities, collapses and failures in railroad and industrial syndicates, combinations and underwriting, any one of which, had our situation been less strong, would have produced a bad panic and a disastrous commercial depression. That we have stood it all so well is the best possible ground for the belief that it need go no further, and that there is no reason for its reaching into general business and producing any great depression. As Secretary Shaw has so well said:

"There exists to-day no one fact, and no combination of facts, the logical sequence of which suggests disaster. If disaster comes it will be psychological and not logical. The microbe, if it exists, is in the mind; it is not elsewhere."

It has been evident to any careful observer for more

than a year past that our bank loans have been expanding too fast. The total loaning capacity of the banks of the country, as a whole, is limited by the amount of cash available as reserves for the deposits created by the loans. The credits loaned by the banks stay in the banks as deposits. The money may be transferred from bank to bank; but, as a whole, the money stays in some bank and the deposit continues as a deposit. In the report of the Comptroller of the Currency for 1902, there is a table given, showing the amount of coin and all forms of currency in circulation and the proportions held in the United States Treasury, in the banks, and now in either the Treasury or the banks; in other words, in circulation among the people. Except in unusual years like 1893 and 1896, these proportions do not vary much. The Treasury holds 12 per cent. to 13 per cent.; the banks 32 per cent. to 33 per cent., the people 53 per cent. to 55 per cent. of the cash, and these proportions have hardly varied at all, while the total money in circulation has increased from eighteen hundred million to twenty-seven hundred million dollars. The great bulk of the loans remain as deposits in some bank, and the chief limit to loans is the reserve for these deposits, and the total loaning power of the banks, therefore, depends upon the amount of deposits for which they can supply reserves.

In the article I read before your convention in New Orleans a year ago, I gave the figures showing the decline in the percentage reserves in all the National banks at the following dates:

December, 1896.....	32.42 per cent.
October, 1897.....	31.70 per cent.
September, 1898.....	30.27 per cent.
September, 1899.....	29.38 per cent.
September, 1900.....	29.67 per cent.
September, 1901.....	27.65 per cent.
September, 1902.....	25.74 per cent.

At the date of the last call, September 9, 1903, the National banks showed 26.60 per cent.

Exactly similar figures for all the banks, State and private and National, are not so accurately compiled, but about the same proportionate decrease in percentage of reserves has taken place in all the banks of the country. In this same period, while the percentage of reserves to deposits was continuously on the decline, the amount of cash held in the banks increased from 974 million dollars in 1896 to 1,411 million dollars in 1902. In about the same time the total loans of banks increased from about four billion to over seven and one-half billion dollars. This available loaning power was a very potent factor in the great business revival which we have seen in the last few years. Its existence could not have produced the revival without the aid of favorable industrial and commercial conditions, but without this available expansion of loans and credits the revival would not have taken place. There has, however, been another and perhaps more important change in this loaning power than increasing loans and the lessening percentage of reserves, and that is the way in which it is now employed. The loaning power still exists—in fact, it is in operation as the loans are now outstanding. In 1897, when the expansion began, we had passed through a period of most drastic and thorough liquidation. Everyone had been living and working economically and paying their debts. Not only the total amount of loans but the portion of loans absorbed for fixed capital was at a minimum. The loaning capacity was, therefore, available for employment in any way which promised safety and profit, and perhaps we were for a while more intent on the profit than the safety. Now, however, we have had a period of extravagant living and working and prices of all kinds are high. It takes more money or credit, which is what is used in business, to do the same volume of business. What is more serious, a vast amount of this loaning capacity has gone into fixed improvements, which are either unproductive or very slowly becoming productive. There is one field in which the loaning power has been absorbed, which is not so fully appreciated because there are no figures to show its

amount, and the facts are not so widely known; and that is in the purchase of farming lands. It has been very largely a movement from some of the older Western States, where the prices of farming lands have become comparatively high, into the States further West or into Canada, where a man can buy two or three, or even five or ten, acres of the cheaper lands for the selling price of one acre of his old farm. This movement has not only taken accumulated savings of the older communities, but large sums have been loaned to make these purchases of lands. This is a very important factor to-day in many of the middle Western States. It is not an unusual thing to hear from a local banker or from a bank examiner that fifty to a hundred thousand dollars has thus been taken from a small town, and the total amount of this must run up into many millions of dollars. Much of the loaning power of the Western banks has been thus absorbed which was formerly used in the purchase of brokers' commercial paper and loans on collateral in Chicago and New York. Another large proportion of the loaning power is absorbed in carrying increased quantities of old and new securities, some of them of more or less doubtful value. This is the situation which has called a halt and set us all to thinking, not the lack of a comparatively few millions of currency to move the crops or the accumulation of the surplus in the Treasury. Of course, those are factors of great importance, but they not the leading or controlling factors in this situation.

The power to loan still exists; the money is still in the banks for reserves, and there is as much money as ever in circulation outside of the banks and the Treasury. The question now is not so much the power as the disposition or willingness to loan. How far will the country go in the tendency to contract these loans? That is a question for the bankers mainly to decide. For about a year there has been a steady, almost uninterrupted decline in the prices of all stocks and bonds. It has, however, been so comparatively gradual that there have been no bank failures, and very few stock exchange failures, as the result, and so far general business has not been seriously checked. From a strictly banker's standpoint, his situation has been in one respect much improved. However hard it has been on those who have made the losses, the bank loans on stock exchange collateral are now readjusted upon the much lower basis with at least as much margin and probably more than on the higher range of values. A break in prices which, if a banker knew it was coming, would be very terrifying, is now past and the banks have not been hurt by it. The explanation of this is that most of the people who have made the losses had the money to lose without losing the money of the banks. Many of them made it on the rise in prices and only have given up part of the profits. There probably never was a time before in the history of the country when such a decline in stock prices could have happened and found the people so well prepared for it and the whole country with such powers of resistance and recuperation. We are in an entirely different condition, and this is what gives such foundation for hope and firm faith in the future. The way business has stood the decline in stocks is an evidence of strength, not weakness. There may be, and doubtless will be, some hesitation and curtailing of other lines of business as the result, but there is no occasion to be nervous or hysterical about it. We should keep cool, and where our calm judgment approves be bold and courageous. If we have been too hopeful, do not let us all at once become too pessimistic. Let each bank stand by its customers and stand by the country, as it deserves. It never was in better condition when facing any such situation.

Contrast the position of the railroads to-day compared with a few years ago, when more than one-fourth the mileage and many of the most important lines were in the receivers' hands. You have no more of railroad receiverships. The roads are on an entirely different basis. The country has filled up so that they have a vastly increased volume of permanent traffic; their tracks, machinery and

organization are so improved that they can handle their business far better than ever before. There is no comparison which can be made of the condition of the country to-day with what it was only a few years ago which does not show the surest foundation for enduring prosperity, and there is no part or section of the country of which this is not true.

During the last ten years the balance of trade in favor of the United States has amounted to over three and three-quarter billions of dollars. For the single year 1901 this was 679 million dollars. Although the alarmists complain of a considerable falling off for the year 1902 it was still almost one-half a billion dollars, or about twice as much as it had ever been in any year of our history previous to 1898. The aggregate wealth of the country has increased fully 50 per cent. since 1890. We are producing and adding to our stock of gold every year about 80 millions of dollars, and almost an equal quantity of silver. The annual value of our farm products steadily increases, and for the year 1903 it will be at least five billion dollars. The deposits of all banks in the United States have increased since 1895 from 4,900 millions to 9,525 millions, almost double. The deposits of all banks in the State of Texas for this same period have increased from 35 million to over 80 million dollars, about 228 per cent. In the State of Iowa the increase has been from 78 million to 211 million dollars, over 270 per cent.; in Kansas it has been from 35 million to 84 million dollars, or over 250 per cent.; in Nebraska from 35 million to 84 million dollars, or 228 per cent.; in California from 200 million to 406 million dollars, or 203 per cent. In Oklahoma and Indian Territory, where, in 1895, the total deposits were considerably under two million dollars, there are over 27 million dollars on deposit in the banks. The aggregate deposits in all the banks in the States west of the Mississippi River have increased from 701 in 1895 to 1,700 million dollars in 1903, or 242 per cent. The three States of Minnesota, Iowa and Missouri have more bank deposits now than all the States west of the Mississippi had in 1890, and the States of Washington, Oregon and California have 40 million dollars more bank deposits than all the other States west of the Mississippi had in the year 1890.

But it is almost unnecessary to quote figures and statistics to you who are the custodians of the funds and thoroughly familiar with all the business of your home communities. No one knows better than you bankers what a great increase there has been in the wealth and prosperity of your own people at home; how many of them are out of debt and have money in your banks who ten years ago seemed hopelessly buried under a burden of debt they could never pay. You of the South know that the change in Southern conditions is a revolution, and

that with good crops of corn and cotton your people are better off to-day than they have ever been before. You of the farming States, the West, the mountains and the Pacific slope, have seen whole States which were apparently bankrupt, where farms would not sell for the mortgages on them, raise year after year record-breaking bumper crops, and many of these mortgages paid off with the proceeds of one or two years' harvest. You have seen farms produce in one year crops of greater value than the land would have sold for before the crop was planted. You have seen your people pay off their mortgages and your bank deposits double and treble within the last few years.

You of the reserve cities, who are at the centres of business and commercial life, have seen equal prosperity among your merchants and manufacturers. You know how your country bank customers have prospered and how their balances have increased with you; how many of them that used to have to borrow of you are competing with you and lending money to your own city customers. Every State in the Union, every section of the country has shared in all this. It is no sudden effervescence or bubble of speculation, but the natural, inevitable result of potent existing and continuing forces. It is not going to disappear or vanish in a day because of a slump in stocks or the collapse of a few underwriting syndicates. It may be necessary to pause a little to get our breath after the pace we have gone, but if there is any serious check it will only be because we have lost our nerve and courage. The course of business to-day very largely depends upon the bankers. If the banks continue to act wisely and conservatively, as they have, they can avert anything like serious trouble and keep the country in shape for a continuance of very prosperous times. In doing this they can perform a most patriotic service to the country, and, as is usually the case, the patriotic thing to do is the wise and sensible business course as well. The banks have only to stand by and look out for the best interests of their customers and stockholders. If each bank takes care of its own business and own people and stands by them now there need be and will be nothing more serious than a period of waiting and perhaps some readjustment of prices, which might in the end be a good thing for every one. The speculations, promotions and combinations which have run their wild course were caused by and were not the cause of prosperity. Prosperity came as the result of the productivity of our fields and forests, our mines and factories, the tremendous energy and activity of our people applied to the most wonderfully productive country in the world. It should not and will not cease because the speculative attempt to discount the future and overcapitalize earning power has met with foreordained and inevitable failure.

Effects of the Inflow of Gold.

By ELLIS H. ROBERTS, Treasurer of the United States.

The discovery of gold in California lifted the production of the yellow metal in the United States from \$889,000 in 1847, to \$60,000,000 in 1852, and from 1850 to 1860, produced an average of \$55,000,000 a year. The event marks an epoch. In twenty-one of each of the years since, our mines have turned out less than \$40,000,000, while in 1902 they gave \$80,000,000. Out of this situation pregnant problems arise which call for thought. What place is more fitting for their study than just here where we stand, where we foregather with the home shepherds of the golden fleece? The American Bankers' Association, representing over fourteen billion dollars of resources, and all the activity of the nation's thrift and enterprise, meets on the Pacific Slope. We have from many points crossed the broad continent to look upon the waters of the new Mediterranean, the ocean of peace. Upon it the scenes are set for the grand drama of the future. The sea which was dominated in turn by the Phenicians, the Greeks and the Romans, was of waters dyed with blood; it is a little inland lake compared with the mighty ocean which connects the Occident with the Orient, which beats upon America and Asia and Australasia, and holds in its lap islands upon which nature has lavished its most precious treasures.

California has learned that there is health more precious than gold, because she has used her gold wisely. She clings to actual coin as currency, and has never wavered from fidelity to it as a standard. Under her sky, in her atmosphere, amid her gardens and her ranches, we cannot fail of a true perspective and of a healthful exaltation in our practical discussion.

In the United States at the beginning of this month of October, the gold in the stock of money was \$1,277,362,851; the amount held by the Treasury was \$654,811,716; and in circulation in coin and certificates, was \$1,016,648,693.

If this Association could order this stock brought before it and could get the metal here in solid mass, we should have a cube of nearly sixteen feet, weighing 23,539 tons, and requiring 147 freight cars to move it. Were all coined into eagles and placed edge to edge, the line would be 2,116.84 miles long, say from New York to sixty miles west of Colorado Springs. (See Table A at close of address.)

Of the world's production in 1902, amounting to \$290,000,000, the United States furnished \$80,000,000.

In gold in stock, in circulation and in official holdings our country surpasses every other nation. The stock of Great Britain is \$528,000,000, so that ours is double. The increase in five years here has been \$376,021,387. In that period, Great Britain has added \$90,000,000; France, \$137,700,000; Germany, \$95,000,000; Austria-Hungary, \$55,300,000, while Russia lost \$10,400,000, and in several other countries there has been a reduction. In all of Europe, the total gain in the same interval has been \$440,600,000 from which is to be deducted the falling off in several nations of \$26,000,000, and thus a net increase is shown of \$423,600,000. (See Table B at close of address.) At the present rate our gain before this calendar year ends, in stock of the yellow metal, will exceed that of all European countries. Remember also that their population is five times that of the United States.

Let us concede that some excess crept into the estimates of earlier years in our stock, and has been carried forward; but the methods of calculation in France and Russia render it certain that like excess in greater degree exists in their records. The ratio is therefore practically accurate.

An interesting comparison is that by persons. Our stock of gold is \$15.80 per capita; that of France is stated at \$24.36; of Germany, \$13.54; of Austria-Hungary, \$6.01; of Russia, \$5.70; of Switzerland, \$9.06; of Sweden, \$3.42; of Norway, \$3.73. (See Table C at close of address.)

With greater assurance and accuracy, we can consider and contrast the holdings of the Treasury of the United States and of the foreign central banks. Let us take two dates five years apart and look at the totals and the changes in the interval, September, 1898 and 1903. The Bank of England in that period lost in gold, \$2,264,000; the Imperial German Bank, \$38,683,809, and Russia, \$132,240,000, while gains are reported in the Bank of France, of \$127,640,000; of Austria-Hungary, \$79,120,000. The aggregate gains in all the European States were \$261,867,000, and the losses \$181,571,000. Thus the net gains in official holdings in those States for five years were \$80,000,000, and were equal to that of one year of our Treasury. (See Table D at end of address.)

The banks, National and other, own \$322,000,000. Our Treasury holds now \$655,000,000. A fair comparison with foreign official holdings permits us to combine these sums, and to reach as the treasure on which our financial system is based \$977,000,000, hard on to a billion dollars. The public and private credit of the British Empire rests on \$166,856,000 in the Bank of England; of Germany on \$170,371,000 in the Imperial German Bank; of Russia on \$404,396,000 in the Imperial Bank; of France on \$494,506,000 in the Bank of France. Exclude the gold of the banks; our Treasury alone holds 3.9 times more than the Bank of England; 3.8 times more than the Imperial German Bank; nearly three times more than Austria-Hungary; 62.1 per cent. more than Russia, and 32.6 per cent. more than France.

This plethora of the precious metal in our country presents three problems interesting and important. What is to be the effect on our currency? What on prices and wages? What on our world relations?

Paths may be opened for our investigation if we look back to the decade following the discovery of gold in California and study the conditions from 1850 to 1860. In that period our country produced gold of the coinage value of \$550,000,000, an average of \$55,000,000 a year. (See Table D at close of address.) With population ranging from 23,000,000 to 31,000,000, activity marked all branches of industry. In the census years the value of manufactures produced ran up from \$1,019,106,616 to \$1,885,861,676—an increase in ten years of \$766,755,060. In the decade our National wealth increased by \$9,023,836,000. Imports of merchandise grew from \$173,509,526 to \$353,616,119, more than double; from \$7.48 per capita to \$11.25; and exports from \$144,375,726 to \$333,576,057, again more than double, and from \$6.23 to \$10.61 per capita. The money in circulation increased from \$330,256,605 to \$435,407,252, and from \$12.02 per capita to \$13.85. Of this, bank notes were in 1850 \$131,306,520, and in 1860 \$207,102,477, and specie at the two periods, \$154,000,000 and \$235,000,000. Prices of food and clothing advanced, and up to 1855, a general increase occurred of 11 per cent., but in the sum of articles chosen for index, there was a fall of 2.3 per cent. before 1860. Pig iron, a typical product, went from \$20.88 in 1850 to \$22.75 in 1860. In Great Britain from the decade 1848-1857 to 1858-1867, there was an advance in index prices from 80 to 90.

The panic of 1857 befell in that decade. Howell Cobb, Secretary of the Treasury, pronounced "the undue ex-

pansion of credit, which engendered schemes of improvident speculation, leading to rapid fluctuations in prices and habits of extravagance the principal cause for the embarrassments in the commerce of the country." Others vehemently attributed the disastrous revulsion to the change in the tariff made by the act of March 3, 1857, reducing rates by twenty per cent. Looking back the student may ask, was not the shadow of the Civil War a contributing cause? It is certain that all branches of business were prostrated, and that the distress was wide and intense. The banks suspended, but the Government kept on paying coin. While paralysis fell upon enterprise, the country was not exhausted as in the panic of 1837. Industry and commerce had been rushing on too fast, and the brakes worked suddenly with a severe shock.

To-day the contrasts with that period are many more than the parallels. No sectional strife disturbs the national serenity. Our huge railroad system binds all States together, and connects ocean with ocean and the gulf with the great lakes. Our industries are more varied and so have a broader base. Enterprise takes more extensive range. They cannot be so easily toppled over. From 1890 to 1900 the annual product of our manufactures grew from \$9,372,437,283 to \$13,039,279,566. Our imports of merchandise ran up from \$789,310,409 to \$849,941,184, and our exports from \$857,828,684 to \$1,394,483,082. We are 82,000,000, with so many electric brains and hearts beating to many rhythms and with chameleon desires. To such, general and sudden change does not come so readily as to a smaller population with simpler methods and with narrower experience. The severest cyclone cannot cover a continent, but has a short and narrow path.

Our currency rests absolutely solid on its rock bottom of gold. Some ghost-seeing Macbeth may discern weird sisters on the blasted heath, casting their incantations together, with the refrain:

"Double, double, toil and trouble,
Fire burn and cauldron bubble."

He may dread the rush of United States notes for redemption, may suspect that some Secretary of the Treasury will use silver for official payments, may tremble at the hazard of wild legislation. He forgets that \$260,000,000 of the United States notes are of denominations of \$10 and below. How can they be gathered in any large volume? The silver dollars are scattered everywhere, while the silver certificates are all but \$27,000,000 in 10s and below. The people need all small notes and clamor for more. They are beyond reach by any secretary for large payments. The power of Congress is vast, but it cannot climb Niagara, nor can it overcome the majestic force of this yellow flood of \$80,000,000 a year.

Some critics complain that gold is not a cheap currency. That is true, and it is its merit; it is secure beyond doubt. Cheap currency may be devised, if that is wanted, but it will have all the qualities of cheapness; it will be weak, unstable, dubious. Gold is worth all it costs. It goes masterfully everywhere. It stands sure and steadfast itself, and all allied to it takes on its strength and power. Our yellow metal passes in St. Petersburg and Pekin, in Hongkong and Tokio, and the United States note and silver certificate march with it in equal favor. The American people were urged to make fiat money, because it was cheap, and to coin silver at 16 to 1, because it was cheap. They rose above the temptation and declared not once but twice and always that they want not cheap money, but the best in the world. And they have it, and the annual inflow of \$80,000,000 assures it to them and rewards their wisdom.

Possible peril lies on another side. Our circulation is undergoing an immense and continuous inflation. In five years the money in circulation in this country has run up from \$1,816,516,392 to \$2,404,617,069, an increase of \$588,020,677. The strength is that of this growth, \$358,604,872 has been in gold, coin and certificates, an annual

addition in that form of nearly \$72,000,000. We are to confront a further increase in our circulation, of which gold will constitute not far from \$80,000,000 a year. That precious metal, including the certificates standing for it, is now 42.27 of the total, and its share advances steadily.

Since October 1, 1898, the circulation for each person in the United States has run up from \$24.24 to \$29.75, and the part of gold in it from \$8.78 to \$12.57. While nowhere else are checks and drafts and like instruments used to the same extent as with us, no other country has so much money per capita in circulation save France, which claims \$39.22, where checks are much less used than here. Great Britain has \$18.29, and Germany \$20.48; Canada, \$14.39; Russia has only \$6.50. (See Table C at the end of the address.) Differing from notes of National banks, gold is money of final reserve and redemption, and the credit built upon it is higher and broader, so that the potential inflation may be carried further.

In this country cash is used for only ten per cent. of transactions; in some localities for less; in others for perhaps fifteen per cent. Cries for more money have been often heard in the land; no one has said how much. The due limit for circulation has not been established. Alexander Hamilton quotes Postlethwaite as supposing that the quantity of cash necessary is one-third of the rents to the proprietors, or one-ninth of the product of the lands. This really only names other unfixed quantities as the standard. We have passed far beyond such limit. The theory has been proclaimed that the circulating medium should keep exact pace with the population. Conditions vary in different countries and at different periods. In the same land at periods not remote from each other large additions to the currency cannot fail to affect enterprise, industry and commerce, the cost of living and the prices of commodities. But the currency is only one factor bearing on production and consumption. We shall err radically if we treat it as the absolute dictator.

With due allowance then for contrary influences, how far and in what direction is the vast inflow of the yellow metal carrying us? The blind may see that in the past five years business has been expanded in some directions in an unparalleled degree. Credit has naturally been multiplied at least to four times the amount of cash added to our supply. The exploitation of gigantic industrial corporations ran on at a dangerous speed, fortunately to exhaust itself by its own excesses. Promotion of stocks and bonds is not industry; it is speculation, and that finds help and impetus in inflation. In that way the inflow of gold has magnified if not wholly caused the frenzy and the excesses in industrial securities. Those who have climbed too high into the realm of credit must come down, and here the descent, unlike that to Avernus, is not smooth and pleasant. The promoter who has failed to distribute his stocks and bonds may be punished, and those who have petted his schemes may suffer. But a shrinking of inflated securities to their true value is not a public calamity. Individuals may be crippled, industry and enterprise may have to rest on their oars. Our financial system cannot totter, much less be wrecked. Undue favors may have been shown by some banks to promoters, but they are correcting their blunders and looking out for more healthful business.

Prices of commodities have undoubtedly been borne upward by the inflation. Special influences have affected iron; Bessemer pig, which was \$10.25 in August, 1898, cost \$21.75 at the same time in 1903; steel billets in the same interval have risen from \$14.75 to \$34; No. 2 red winter wheat which was 74 became 74½; mess pork from \$9.75 jumped to \$18.25, and family beef from \$11.50 to \$15; cotton from 5 11-16 advanced to 8 9-16; Ohio fleece wool fell from 28 to 27.

By index numbers the advance of all commodities has been from \$76.808 to \$97.891, or twenty-one points. On full examination, the Employers' Association of Chicago finds that the cost of living in this country has increased

fifteen per cent. in five years. Carroll D. Wright, head of the Bureau of Labor, with all the data of the Anthracite Coal Commission, declares the advance to be from fifteen to seventeen per cent. These figures may be accepted as authoritative.

Advance in wages follows increase in cost of living. In recent years it has come fast and strong. Large railway companies and other corporations have added fifteen per cent. at one step to wages paid, to meet the recognized advance in cost of living. The drift had been downward in wages from 1893 to 1898; since it has been steadily upward. In many cases it has exceeded the rise in the cost of living. The general average may safely be stated at from fifteen to twenty per cent. Persons with fixed incomes are burdened with the heavier cost of living without any offset, as they have the benefit of a fall in prices of commodities, when that occurs.

When wages go up, the purchasing power of those who earn them rises in equal measure. This process affects prices of commodities, and adds always to the consumption which again gives impetus to production and trade.

No one can deny that the golden inflow contributes to the currency a share growing more rapidly than the total circulation, all at parity; that it lifts prices and wages, incites activity in industry and trade, and pushes enterprise forward, while it also tempts to undue inflation of commercial and stock-jobbing credit.

How do these influences bear upon our world relations? First of all, our surpassing wealth in gold has placed our national credit on a plane above that of all other countries, and never before held by that of any government. British consols bearing $2\frac{1}{2}$ per cent. interest, long the foremost type of credit, have recently sold below 87, while consols of the United States bearing only 2 per cent. range from 108 to 110, and the loan of 1925 commands 136. This American republic alone among nations always in time of peace reduces its debt, and after a war makes rapid payment of the cost. Only unbridled folly, not conceivable, can shake this solid structure.

Obviously the supremacy of our national credit adds to the strength of the republic in commercial credit, general esteem and international influence in all the world. We fear no evil from exports of gold, for we can well spare more than Europe can pay for in American obligations, in merchandise or in any form of securities.

The productiveness of our people justifies this rank. In manufactures the American people are far and away beyond rivalry. Against our thirteen billion dollars of annual product Great Britain shows \$4,263,000,000; France, \$2,900,000,000; Germany, \$3,357,000,000, and Austria-Hungary, \$1,596,000,000. These four great nations turn out in manufactures \$12,116,000,000 a year, or a billion dollars less than does this country alone.

The scale of living in the United States is such that we consume a great deal of what we make. We spend more than the same number of people anywhere on earth. Our agriculture helps to feed Europe—indeed, many of its inhabitants would starve without our grains and meats. How much of the products of the farm shall be exported depends on the crops in all lands and on the purchasing power of our foreign customers.

But we invade the old world with our manufactures by reason of the skill and energy of American labor and the methods devised by American genius. We run electric roads beside the Pyramids; we furnish harvesters for Russia; we build bridges in the Soudan and in Burmah; send locomotives to farthest Manchuria, help Germany to load coal, sell shoes to Austria, scatter sewing machines everywhere, and our watches keep time on the Danube, the Nile and the Orinoco. Our high wages have not yet checked our invasion of the markets of Europe and Asia. Increasing home consumption affects to some degree the exports of our merchandise, for we ship only what our own people do not use, but the more we make the more we shall sell.

The exports of our manufactures for the eight months

ending with last August were \$278,519,872, and 32.4 per cent. of our total exports; for the like period of the preceding year they were \$279,532,992 and 34.79 per cent. of all. In the fiscal year 1903 they were \$408,187,207 and 29.32 per cent. of all, while in 1902 they were \$403,641,401, and 29.77 per cent. of the total exports.

Note now a remarkable contrast. Mr. Chamberlain in opening his era-making crusade for his new fiscal policy at Glasgow, October 6th, showed the trend in British exports of manufactured articles. He must have startled his hearers by declaring that since 1872 the export trade of Great Britain has increased only $7\frac{1}{2}$ per cent., while her population has grown 30 per cent. Still more: to the United States and Europe—"protected countries," he calls them—the export of manufactured articles has fallen from a hundred and sixteen million pounds sterling in 1872 to seventy-three and a half million pounds in 1902; that is, from \$564,000,000 to \$355,000,000, a loss of over \$200,000,000. Evidently the United States and not Great Britain has become the workshop, not only of Europe but of the world.

Upon the marvelous golden inflow American mechanism moves in triumph. Our agriculture is still dominant in our wheat and meats and fruit and cotton. The remarkable growth is in our manufactures, now constituting nearly a third of our exports, prodigious and rock-ribbed are our material and financial conditions. Predictions can prudently be based upon them. But the minds of men are a shoreless and chartless sea, and no one can tell when or why pallid fear may brood horribly upon its waves. The nerves of the multitude are a vast electric system which some accident may start into sparks or even flame and shock and far-reaching utterances. Into this mystic region our theme does not lead us, even if we had the courage to enter there. We have been studying what can be weighed and measured, a stream whose course and force can be quite clearly mapped.

This golden flood is without peer in its magnitude. It has brought to our people and our Government treasures richer than any before recorded in human annals. It has covered the continent and blessed all the inhabitants. Its source and its current are not exhausted. It continues to spread itself over every valley and plain, fructifying as the waters of the Nile. Bankers may do much to direct it into right and beneficent channels. They can prevent its diversion for sinister and harmful purposes. The strippings of the surface of the mines have been brought to us. Riches from lower levels are within sight. If the American people are prudent, will let their common sense and cold reason govern, they shall see that the prosperity they enjoy is the earnest of more to come, of material achievement beyond the scope of prophecy, deserving to be adorned with moral and spiritual flower and fruit which shall glorify humanity.

TABLE A.

SPACE OCCUPIED BY OUR STOCK OF GOLD AND WEIGHT.

One cubic foot of standard gold is worth \$326,340.

\$1,000 of new gold coin weighs 53.75 Troy ounces.

The diameter of the eagle (\$10 piece) is 21-20 of an inch.

The stock of gold is estimated at \$1,277,362,651 (October 1, 1903), and if no allowance be made for abrasion will weigh 2,353.9 tons (Avordupois weight).

Reduced to a solid mass, it would contain 3,934.2 cubic feet, and would fill a vault that measured 15.785 feet on all sides.

If coined into eagles and placed edge to edge, it would make a line 2,116.84 miles long.

If placed on board freight cars, with 16 tons in each car, it would require 147 cars.

With an estimated population of 80,831,000, this stock of gold gives a per capita of \$15.80.

TABLE B.

STOCK OF GOLD IN VARIOUS COUNTRIES, AS SHOWN BY LATEST AVAILABLE RETURNS.

Country.	Jan. 1, 1898.	Jan. 1, 1903.	Increase	
			for 5 years.	Annual.
Great Britain.....	\$438,000,000	\$528,000,000	\$90,000,000	\$18,000,000
France	810,000,000	947,700,000	137,700,000	27,540,000
Germany.....	668,500,000	763,500,000	95,000,000	19,000,000
Austria-Hungary	227,700,000	283,000,000	55,300,000	11,060,000
Bulgaria.....	1,000,000	1,400,000	400,000	80,000
Denmark	15,200,000	15,500,000	200,000	40,000
Italy.....	96,500,000	101,500,000	5,000,000	1,000,000
Netherlands	21,900,000	23,500,000	1,600,000	3,320,000
Norway	7,800,000	8,200,000	400,000	80,000
Portugal	5,200,000	5,300,000	100,000	20,000
Servia	1,200,000	1,400,000	200,000	40,000
Spain	45,500,000	79,100,000	33,600,000	6,720,000
Sweden	8,600,000	17,800,000	9,200,000	1,840,000
Switzerland	24,000,000	29,900,000	5,900,000	1,180,000

Increase for five years.....\$449,600,000

			Decrease.	
Russia	\$756,000,000	\$746,200,000	\$10,400,000	\$2,080,000
Belgium	30,000,000	19,700,000	10,300,000	2,060,000
Finland	4,300,000	4,100,000	200,000	40,000
Greece	500,000	400,000	100,000	20,000
Roumania	14,500,000	9,500,000	5,000,000	1,000,000

Decrease for five years.....\$26,000,000

TABLE C.

CIRCULATION OF EUROPEAN COUNTRIES, PER CAPITA.

Country.	From latest attainable figures.	
	In gold.	Total.
Great Britain	12.69	18.29
France	24.36	39.22
Germany	13.54	20.48
Austria-Hungary	6.01	8.72
Denmark	5.96	11.23
Italy	3.12	9.68
Netherlands	7.55	29.29
Norway	3.73	8.91
Sweden	3.42	10.75
Russia	5.70	6.50
Switzerland	9.06	18.57

TABLE D.

HOLDINGS OF GOLD BY OFFICIAL BANKS IN EUROPE.

Bank.	Sept., 1898.	Sept., 1903.	Increase.	Decrease.
Bank of England.....	\$169,120,856	\$166,856,001	.....	\$2,264,855
Bank of France....	366,865,969	494,506,107	\$127,640,138	.....
Aus-H'garian Bank	142,184,531	221,304,087	79,119,556	.....
Imp'l German Bank	209,055,107	170,371,298	.....	38,683,809
Nat'l Bank, Belgium	21,295,804	14,709,808	.....	6,585,996
Netherlands Bank.	20,984,348	19,187,636	.....	1,796,712
Bank of Spain.....	51,526,502	71,265,026	19,738,524	.....
Nat'l Bank, Italy.	58,768,500	94,137,576	35,369,076	.....
Imp'l Bank, Russia	536,636,500	404,396,417	.....	132,240,083
Total.....	\$1,576,438,117	\$1,656,733,956	\$261,867,294	\$181,571,435

TABLE E.

FINANCIAL CONDITIONS IN 1850 AND 1860.

	1850.	1860.
Population of the United States.....	23,191,876	31,443,321
Wealth	\$7,135,780,000	\$16,159,616,000
Net ordinary receipts of United States.	43,592,888	56,054,600
Customs	39,668,686	53,187,511
Imports of merchandise.....	173,509,526	353,616,119
Per capita	7.48	11.26
Exports	144,375,726	333,576,067
Per capita	6.23	10.61
Value of manufactures produced in census year	1,019,106,616	1,885,861,076
Increase in ten years, \$766,755,060.		
Balance in United States Treasury....	32,827,082	33,193,248
Total money in circulation.....	330,256,605	435,407,353
Per capita	12.02	13.85
Bank notes	131,366,520	207,102,477
Estimated specie	154,000,000	235,000,000

AVERAGE PRICES.

Cotton upland middling.....	11%	11
Wool medium fleece scoured.....	83%	1.02%
Salt mess pork.....	11.87%	16.50
Sugar, refined	8 2-3	10
Pig iron	20.84	22.75
Average prices, 1850: Food, 85.5; cloths and clothing, 91.3; fuel and lighting, 102.6; metal and implements, 114.8; lumber and building materials, 102.2; drugs and chemicals, 123.6; householding goods, 125.6; miscellaneous, 107.7. All articles, 102.1.		
Average price, 1860: All taken at 100.		
Average prices in Great Britain, 1848-1857, 89; 1858-1867, 96.		

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OUR LIST OF INVESTMENT SECURITIES SENT
ON APPLICATION.

The Money Supply of the United States.

By J. E. McASHAN, Cashier of the South Texas National Bank, of Houston, Texas.

Coming as I do from the busy life of a banker, in whose never ceasing grind I have spent almost a third of a century, it can scarcely be expected that my remarks will be as Academic as those of other men who have made the study of theoretical finance a specialty. There are, however, some things to be said of the money supply that will be recognized as truth by a majority of bankers in this magnificent commonwealth, whether they be from the city or from the country.

Volney, in his great work on the ruins of empires, classes the banker with the tyrant, and other oppressors of mankind. At a recent banquet in New York, given to bankers, one of the orators under the influence of enthusiasm, patriotism, remorse and other stimulants, said, "It is a good thing for us bankers occasionally to get together for the purpose of seeing what we can do, whom we can do and how we can do them." I see before me representatives of this honorable profession of tyrants and doers from all parts of this great country. I see before me those who angle for trout and suckers in New York, and those who, with equal impartiality, skin the festive cat and larger fish on the shores of the great lakes. I see my fellow doers from the prohibition woods of Maine, of Kansas and Carrie Nation, to the boundless hospitality of wide open San Francisco.

We, who represent the tyrannical profession of bankers, are gathered here from the land of icicles and bicycles, from the home of aromatic wooden nutmegs, from the land of the magnolia and the home of the mocking bird. In fact from everywhere I see before me members of that noble profession who do others for fear that others will do them, and I am confronted with the question, "The Money Supply of the United States."

What are we going to do about it? What can we do about it? Secretary Branch, in his letter to me suggesting this discussion, invited me to limit my remarks to two thousand words, so if I leave anything unsaid on this question, just lay it on my time limit. The request of the secretary reminded me of one of my friends. The friend had a little boy who asked a great many questions. One day his father said, "Dick, you take up too much of my time asking questions." "Well," said Dick, "just answer me one question and I will let you off. It will only take you a minute." "All right, if it will only take a minute, fire away." "Well," said Dick, "just tell me how to work miracles and how to make condensed milk." Dick's question remained unanswered. I am inclined to think that I would show you a miracle if I should make a thorough discussion of the money supply of the United States in two thousand words.

What do we mean by the Money Supply of the United States? We do not mean the supply of money that has accumulated in the vaults of the Government. This needs no discussion. We all know that the Treasury of the United States is overflowing with money. It has even been suggested that the reason the banks are so short on cash is because the Treasury is so long on it as to have about one-fourth of our circulating medium under its control. It is even hinted that Wall Street, with all its matchless ability and vulpine cunning—this last phrase is not original—disapproves of the independent Treasury system. It is even spoken in whispers that our great captains of finance spend days, and even nights, in brain work trying to evolve some plan by means of which they can do the Secretary, establish a community of interest, as it were, between Wall Street and the Treasury, and exchange some Treasury fatness for Wall Street leanness. The courting is all done by the financiers.

Why does this condition exist? The Democrat will tell you that it is by an abuse of the taxing power of the Government; that a larger proportion of the people's

money is withdrawn from circulation than is needed for the expenses of the Government. They are all Democrats down our way, except Federal office holders and other wards of the nation. The Republicans will say that such is not the case; that this preponderating preponderance of wealth is due to a laudable effort on the paternal part of our paternal Government to protect our little infant industries, such as the United States Steel Corporation. Meantime the banker is up against it. He who would give the glad hand must show the marble heart. His few days are full of misery.

The banker is a hybrid in politics; he is neither a Democrat nor a Republican. He is composed mostly of legs and baldness. Legs, the more conveniently to straddle political fences, and baldness brought on by herculean mental efforts to know on which side of the fence to fall at the right time. It is a tremendous job for a banker to think; when he does something is sure to drop. Two of my friends were running for office. They met in our bank one day. One said the other was no Democrat. The other said the other was another. The air became blue; the temperature began to rise; the electric fans fairly churned hot air. I saw that I had to speak or lose both their accounts. Unless I did each would think I had said all the complimentary things which each had said of the other. So at the first pause in hostilities I said, "Gentlemen, don't you think that in the discussion of such gigantic questions we are liable to run the economic center of immensities into the political conflux of eternities?" They both said they did, and at the same time, with a paralytic smile, bade me good-bye, and went away my friends. I had fallen on the right side of the fence, but just consider the waste of gray matter involved in such an effort. No, my fellow tyrants, we are not expected to discuss the money supply of Uncle Sam. That will be all right so long as he has unlimited powers of taxation and requires United States bonds as security for United States deposits.

The money supply under discussion is that of the country at large; the money which is available for business; the money which is available for paying deposits when our depositors withdraw a part of our working capital to work on themselves. It is a mystery to me what becomes of the money at certain seasons of the year. There are times every year when the whole country has an abundance, or seems to have. Interest rates seem searching for zero; loans are paid off, and from New York to San Francisco and from Maine to Texas, all the banks seem loaded with swag. There are other seasons when there is a great scarcity of it. Where does it go? New York does not have it; Chicago does not have it. I think from all appearances here it emigrates to San Francisco. The country does not have it. It exists but is so nimble that we cannot find it. The fact that the whole country, under normal conditions, has at certain seasons of the year an abundance of money, in spite of all financial piracy and buccaneering, is proof that under ordinary conditions the money supply of the United States is sufficient for our commerce. The comparative volume of money in circulation compared to the volume of trade, is greater in the United States than in any other country of the world. I make this as an assertion. I am not going into statistics. Figures never lie, but statistics are sometimes misleading. A railroad company sometimes borrows money for years to pay its dividends, still expert accountants can figure out that their stock is a gilt-edged security.

Under normal conditions our money supply is ample; even now, circulation is being retired more rapidly than the law permits. In February and March, with large deposits, we sometimes carry a reserve of eighty per cent. and blazon to the world our great riches. The solvency

of a bank is gauged by the magnitude of its debts; the insolvency of other corporations is gauged by the same standard. We see this reserve melt in the balmy days of May to sixty per cent., and in beautiful poetic June to fifty per cent., in business-like July to forty per cent. and in the dog days of August to a poor, pitiful twenty-five per cent. down to the disgraceful level of New York, and we wonder how the mighty have fallen so low.

We then write our central correspondents to find if they have any money; that while we do not expect to use our credit. Oh, no. As a matter of form we write to them and they write back that they have none, but in case our scruples are removed against using our credit, that we are such valued customers that they will impair their reserves for our sake. Now the question is, how can we avoid charging prohibitive rates of interest, when our deposits are melting like the beautiful snow. How can we avoid that mental strain that is required to make a banker look cheerful when the whole beautiful realm of nature seems hung with crape and in mourning; when the waves of the sea seem to chant dirges; when the winds in the woods seem to whisper requiems; when the thunders on the mountains seem to growl funeral marches, the prairie breezes howl lamentations, and even the sea, and wood, and prairies, and mountains, make our vacations a travesty and a farce.

How can we relieve our central reserve correspondents from the embarrassment of impairing their reserves out of mere politeness to us? How can we do these things and not violate the fundamental principles of American liberty and sound economics? I believe that the creation of money is an attribute of sovereignty, and should not be delegated to private persons. I believe that assets currency is an injustice to depositors. Nothing should ever be done to impair the security of the depositor. I believe that the right to issue unsecured currency by individuals is monopolistic and un-American. It would be the bestowal of unjust and unequal privileges and would be wrong. These are the fundamental doctrines of my financial creed. I am, however, not a dreamer, an idealist or an enthusiast. Emergency conditions require emergency remedies. I recognize conditions as they exist and would like to see a remedy devised, for it would result to the interest of agriculture, manufacturing, commerce, mining and transportation, which constitute the entire circle of human enterprise. There are times of the year when the volume of money is not sufficient, and no one knows this better than the farmer, the country merchant and the country banker.

When the earth has yielded her increase, when the harvest moon hangs high in the heavens, when the sound of the thresher is heard in the rice fields, when the darkeys sing amid the sugar cane, when the great Northwest pours its grain in golden floods all over the land, when old King Cotton holds his imperial court in the snowy fields of the fleecy staple; when the withered banners of the corn are still, and gathered fields are growing strangely wan; while death, poetic death, with hands that color whatever they touch, weaves in the autumn wood his tapestries of gold and brown; when everywhere in this mighty nation, from the ice fields of Alaska to the shimmering glory of the Mexican gulf, from the unfriendly woods of distant Maine, where the God of Day sheds his beams of gold at dawn to the radiance of the Queen of Night, who at the self same hour sheds her silver light over the Philippine Archipelago, then it is that the banker realizes that our currency needs relief in order that the American banker, the American farmer, the American merchant and the American manufacturer may handle to the best advantage the fruits which have been so bountifully provided under the Providence of God. How can this be done and not violate sound economics?

I would like to make a suggestion, not as a cure-all, but simply as a suggestion subject to fewer objections than any I have seen brought forward. The relief should be on the emergency plan pure and simple, and permissible only in emergencies and for the public good. It should

be in the interest of the people and not classes, and should be taxed out of circulation the moment the emergency is past. It should be safe and elastic. It should be uniform. It should be of such a character as not to weaken public confidence in banks. In short, it should be a currency based upon sound economics and patriotism. An unsecured bank circulation would be as safe as are the deposits of the bank, for the resources of the banks are guarantees of their payment, and whoever would deposit money in a bank would accept the bank's note. This, of course, would only operate locally.

It seems to me that a perfectly satisfactory emergency circulation could be devised along the following lines. Authorize the Secretary of the Treasury to issue Treasury notes to the National Banks to the extent of twenty-five per cent. of their paid in capital, on the following terms and conditions: The loan of these notes to the banks to be a general liability of the banks, secured by the several and proportional obligations of the stockholders of the banks to whom the notes are loaned. This pledge of the stockholders to be in the form of a stockholder's vote and to be in the nature of a continuing guarantee. This obligation to be in addition to the present general stockholders' liability of one hundred per cent. This loan of Treasury notes should not be made indiscriminately, but only to such banks as have stockholders whose responsibility is unquestioned, and has been ascertained by the Treasury agents, the bank examiners.

Thus, when a bank showed among its liability any emergency circulation, instead of creating any uneasiness in the public mind, it would promote confidence and be a badge of honor or merit as showing that the stockholders of the bank had been ascertained by Treasury agents to be good and responsible men. The irresponsible bankers would thereby be eliminated. Such notes should be redeemable at the Treasury or any sub-Treasury. A duty should be charged upon such circulation, so low during the harvest season that banks would be encouraged to take them out, and thereby facilitate the commerce of the country, and this duty should be so high during the time that the emergency does not exist as to force the retirement of the notes and thereby prevent inflation. This duty should be at the rate of about three per cent. from July to January at the rate of about ten per cent. from January to July.

The proceeds of this duty should be held as a safety fund out of which to pay the expenses of the issue and redemption, and for the purpose of redeeming those notes loaned to any failed banks. As most banks are well and wisely managed, this safety fund would no doubt be ample for all purposes, and it is not likely that a call would ever have to be made upon the bank stockholders to reimburse the Treasury for the loan of these notes. The banks should be required to hold a reserve against these notes and the notes should be redeemable in any lawful money of the United States, and their redemption and retirement once a year should be made compulsory in case the ten per cent. duty was not a sufficient inducement for all banks to do so.

Along these lines, in my opinion, an emergency circulation could be devised that would be elastic. It would respond to the needs of trade. It would be safe, for it would be guaranteed by the liquid wealth of the banks and the accumulated capital of the stockholders. It would not impair public confidence in the bank's solvency, for its issue would be an evidence of merit, of the responsibility of stockholders. It would not only provide money for crop movements, but it would provide an enormous resource that could be utilized in times of panic and thereby be a positive benefit to every class of citizens. The depositors of a bank are from every walk of life, and in time of panic need to be saved from their own thoughtless ignorance and folly.

It may be thought that this suggestion is class legislation, and if it is subject to this taint, the taint is so small as hardly to count. Its benefits would be so far reaching, wide spreading and various that the entire commonwealth

would receive them, and the special privilege so hedged around by safeguards, personal liability and taxes that it could not be abused. This personal liability and tax feature may make any suggestion unpopular in some quarters. There is a great disposition on the part of most men to share benefits and avoid responsibilities. There is an old and honored American sentiment which says that they who dance should pay for the music. If this addition were made to our currency system it would be as nearly complete as we can hope to make it.

The time allowed for my address has now expired. I put forward my suggestion modestly, tentatively and hesitatingly, not as a universal panacea, but as an improvement. The area of this country is as great as all Europe. Our facilities for commerce and exchange, our oceans, our vast inland seas, our navigable streams, our canals, our vast network of railroads, comprising thousands of miles give us avenues of trade which no other nations ever enjoyed and which tend to the production of wealth with a rapidity not to be measured by any standard of the past. These things produce a traffic requiring at certain seasons of the year a volume of currency unprecedented in the marts of trade.

Let us hope that the glory and fame of the United States may not be tarnished by unwise financial policies. May this nation, whose victorious arms on land and sea have astonished the world, whose triumphs in mechanical arts and sciences have won the applause of nations, whose far-reaching commerce has invaded and subdued, by gentle yet compelling force, Europe, the Orient and the isles of the sea, making it the arbiter of the world's destiny, while not aiming at the world's empire. May this nation, which in civil liberty and education, uplifts and upbuilds the human race, and shall be the luminary for all the ages yet to be poured into the lap of empires from the secret caverns of time. May this nation, which seems to have been reserved by the God of Nations for the manifest destiny of dominating and redeeming the globe, which has evinced a spirit of patriotism, and whose battle hymns have rekindled the altar fires of the earth; let this nation formulate a financial theory at last, not narrow, perverted or selfish; not tainted with the odium of caste or lax with the taint of unsoundness, but such a theory as may be in keeping with the sublimity of our history and the magnificence of our Destiny.

Money Orders of Bankers' Associations.

By L. P. HILLYER, Cashier American National Bank, Macon, Ga.

Mr. President, Gentlemen of the American Bankers' Association, Ladies and Gentlemen:

A more appropriate name could not have been given those small evidences of debt issued by the Post Office and the Express Companies than "Money Orders." They are just what their name implies—Orders for Money. They have been used by the public for many years, and have always been honored when properly presented for payment. Not only the upper and middle classes of the United States, but the ignorant negroes of the South, the half educated foreign laborers of the Northern and Western States and the heathen Chinese of the Pacific Slope have been taught to believe in the solvency of these Orders. They are perfectly familiar with their form, shape and color, and they know that the Government of these United States guarantees the payment of one, while the great and powerful Express Companies guarantee the payment of the other. They have the same faith in these Orders as they have in the actual money of the Government.

Without going into details, but just to show the size to which the Money Order business of this country has grown, I will mention the fact that the Post Office now does a daily business of over \$1,200,000, averaging about \$7.00 an Order. As to the Express Companies, reliable figures can be had from the Brief issued by the American Express Company in its suit with the Government on the war revenue tax some years ago, and from which I quote the following: "In the year ending December 31st, 1899, Money Orders were sold by all Express Companies to the number of 10,135,052, aggregating a total amount of \$120,040,277.65. The Express Money Order averages \$11.84 per order and the average rate was 10 cents per order." It has been estimated that a clean profit of three million dollars is annually made by the Government and the Express Companies in the selling of these orders, and the business is steadily growing!

In view of these facts it is but natural that there should have been a general agitation among the Banks of America to recover this Money Order business. In 1894, the Texas Bankers' Association adopted what was called the "Reciprocal Draft," for the purpose of competing with the Post Office and Express Companies. This was a special form furnished to members of the Association, limited in amount to \$200.00 and cashed without discount by any member. The Association expended considerable money in supplying the forms and advertising matter. A number of Banks expended an additional

amount to advertise it. Efforts to popularize this Instrument proved futile, the public seeming slow to recognize a "draft" as equal to a "Money Order." The Georgia Bankers' Association in 1896, two years afterwards, adopted what was called a "Circular Check," which, likewise, ran its course. It has been thought by the friends of these enterprises that neither instrument was properly named. Both should have been called "Money Orders." It would have taken two decades to have taught the masses what was meant by the terms "Reciprocal Draft" and "Circular Check." But the Bankers of the Lone Star State, with that same determination and heroism displayed by their forefathers when they gained their independence under the gallant Sam Houston, would not give up the fight. With renewed enthusiasm they have adopted what is now called the "Bank Money Order," which has been in use for several years. The Texas Money Order is drawn on New York, Chicago, St. Louis, Kansas City, New Orleans and other points, and bears the insignia of the Association in the form of a shield. In an address made by Mr. J. W. Butler, the Secretary of the Texas Bankers' Association, he said: "The system of Money Orders, issued under the auspices of the Texas Bankers' Association, has proven quite a success. For many years the subject of how to combat the inroads of the Express Companies and the Post Office engaged our Conventions. We found the key to the problem when we decided by resolution that the members of our Association would make no charge for cashing Bank exchange when \$200.00 or under. Besides benefiting the members by this enterprise, we have enlightened our Association. The Money Order idea is largely to be credited for the increase of membership in the Texas Association from 239 at its introduction, to the present splendid number of 470, and the system is a potent factor in retaining this large membership. To summarize the advantages of the system: First, your exchange bears the statement: "Bank Money Order." This enables you to advertise your exchange as "Money Order," which term is well understood by the public. Second, you offer an order that will be cashed without discount almost anywhere in this country. We have not had reported a single instance where a Bank charged for cashing one of such Orders.

The Missouri Bankers' Association, which boasts of the largest membership in proportion to the number of Banks, has recently adopted a Money Order System. So has that active and wide-awake Minnesota Association,

and I am informed that Kansas and California have a Bank Money Order system of some kind. Washington, Nebraska, New York, Michigan, Louisiana, Tennessee and Virginia have already adopted, or contemplate adopting, a Money Order system in the near future. Thus it will be seen that the idea is a popular one, and it will not be long before many other States will be giving these Money Orders a trial. I believe that to a large extent the State Associations will succeed with these Orders, but it is my fixed opinion that until a Money Order system can be devised whereby its Orders will be cashed—not *almost* everywhere, but *everywhere*—as readily as are the Orders issued by the Post Office and the Express Companies, the Post Office and Express Companies will not be very much annoyed by our competition. The business obtained by these very wide-awake and enterprising State Associations will not grow to any great and magnificent extent until they adopt some plan which will make the Money Orders issued by the little Banks of Ty Ty, Georgia, and Licksillet, Texas, just as good as the Orders issued by those mastodon Banks in the great Reserve Cities. Not only must they do this, but they must establish the fact in every State of the Union that an Order issued by one Bank is as good as an Order issued by any other Bank. The wise and progressive leaders of these State Bankers' Associations are endeavoring to have their Money Order systems adopted by all the other States. When they succeed in this, a long step forward will have been made, but the system will still be incomplete. It is absolutely necessary for every Money Order issued to be as good as gold, and the question has been asked: "How can it be made so?" It is infinitely easier for the public to become posted as to the reliability of the Post Office and Express Companies than it is to learn about the standing of thousands of different Banks from Maine to California. In answer to this, it is argued that no one ever saw a financial statement of the Express Company, and yet the public buys its Orders by the thousands. This is not a good argument. It is an easy matter to gain the confidence of the public, and so long as honest methods prevail this confidence can be retained; but let one act of dishonesty or insolvency be committed and that confidence is lost forever. It sometimes happens that the payment of an Express Order is delayed for a time because some office is short of ready cash, but we have yet to learn of the absolute repudiation of an Express Order because of the Company's insolvency. Until we learn of this the confidence in Express Money Orders will continue to increase; but if an Express Company should ever fail and its Orders be flung back upon the buyers as worthless paper, it will take fifty years to outlive the prejudice that will be formed against them. The most successful Bank Money Order system ever devised, or that can ever be devised, will ultimately fail if an occasional order is allowed to go to protest. It is not enough to win success—we must deserve it! It is not enough to secure the confidence of the people who buy our Orders, but we must also secure the confidence of the Banks in every State and Territory which may be called upon to cash them. We must make our Orders safe. These Money Orders must have something behind them besides the Bank which issues them. May the day never come when the Orders issued by any

of our members can be justly styled "Wild Cat Orders." There must be some solvent guarantee that no matter if the Bank of issue fails irretrievably, its Orders will be promptly paid. An absolutely successful Bank Money Order will never be attained until this is done. These State Associations will some day find this guarantee and all will be well, but that day will be greatly hastened if our American Bankers' Association, with its power and influence, would lend the State Associations its mighty aid! Now is the appointed time for us to act. We, who have banded ourselves together for the purpose of promoting the interests of the Banking Fraternity, should help them in this Titanic struggle!

"It is more worthy to leap in ourselves
Than tarry till they push us!"

I will not weary you with the details of the various ways in which this help might be given, but I am sure that success awaits our efforts. We have but to start the machinery in motion with the right men in control, and we will have a Money Order that will stand the test—not for an age, but for all time! It will become so strong in the minds of the people that they will hoard these Orders in times of panic with the cash they draw from the very Banks which issue them. Let us help them, not carelessly, but cautiously and advisedly. The wisest financiers of this world are American Bankers, and the wisest of American Bankers are members of this Association. It is an idle tongue that will declare these Bankers unequal to the task proposed. Before we turn our faces to the East, let us instruct our Executive Council to assist the State Associations in their heroic fight. Let the Council choose the wisest, brightest and most active to perform this work, and you may be sure that the Money Order system they approve will close forever the ranting mouths of moss-back critics. They will give us a Money Order that cannot be altered or raised, an Order that will be uniform in shape, size and color, so that it will be easily recognized wherever seen, an Order which in five years, with the tremendous advertising and backing which the Association alone can give, will be as familiar to the Filipino as his Spanish coin—an Order which will rival in stability the notes issued by that Gibraltar of Banks, "The Mother of Threadneedle Street"—an Order that will be as readily cashed in St. Petersburg as Chicago, in Paris as New York, in Vienna as San Francisco—an Order that will bring back to the Banks of this country millions of profit which, in their blind indifference, they have been giving away. Let us trust this work to the clever men whom the Executive Council will appoint. These men will think twice before they act. They will make no unwise move, nor

"Like the famous ape,
To try conclusions, in the basket creep
And break their own necks down."

They will not venture on this financial sea in a weak and saucy little boat, whose untimbered sides will spring a thousand leaks should

"The ruffian Boreas once enrage the gentle Thetis," but they will make their way in a strong ribbed bark that will ride safely and majestically on every wave and hurl defiance at every storm.

Education of Bank Clerks.

By J. B. FINLEY, President Fifth National Bank, Pittsburgh.

The American Institute of Bank Clerks is unique as an educational effort in the industrial world. It is the first concerted attempt, national in scope, made in the United States on the part of a single profession to benefit and uplift by educational methods the standard of efficiency of its employes. Without precedent, much had to be learned from experience. It speaks well for the wisdom and foresight of the founders that two years' practical conduct of affairs has demonstrated that no radical change of plan is necessary.

During the past year work among the Chapters has been carried on with increasing enthusiasm and with much benefit to the members. Semi-monthly meetings have been held at which papers prepared by the members have been read and discussed and addresses have been made by prominent bankers and public men. Debates have been held by the Chapters, and the judges on such occasions have been, in the main, bankers. One of the most interesting features of the Chapter work for the past year has been debates between Chapters of different cities. These gatherings have been largely attended, not only by members of the Chapters taking part in the debates, but by Chapter members from other cities. In November of last year a debate was held at Cleveland between Cleveland and Pittsburg Chapters, on the question, "Was Secretary Shaw's Action Judicious in Accepting Security of Other Than United States Bonds for Government Deposit?" This debate was won by the Cleveland Chapter, for the affirmative side. A return debate was held between these two Chapters at Pittsburg on February 21, 1893, the subject being "Resolved, That State Banks and Trust Companies Should be Required to Keep the Same Reserves as National Banks." There were present on this occasion representatives from the Chicago, Cincinnati, Alexander Hamilton and New York Chapters. The winners this time were the Pittsburg men, who argued in favor of the affirmative side of the question.

The third debate, and the most successful yet held, took place in Cincinnati on May 30, 1903, between representatives from the Chicago, St. Louis and Baltimore Chapters on one side and Cleveland, Cincinnati and Pittsburg Chapters on the other. The subject was, "Resolved, That it is for the Public Good That National Banks be Permitted to Issue Currency Based on Their Assets." Cleveland, Cincinnati and Pittsburg, for the negative side, were adjudged the winners.

In addition to formal debates between Chapters, discussions have been frequently held between members of the same Chapter on practical subjects relating to banking. Such discussions and debates have stimulated the interest of bank clerks in financial and economic questions, and attracted new members to the Chapters, and correspondingly increased the enthusiasm of the old members. The value of this training to the clerks from an educational point of view can hardly be overestimated, and the advantage that must accrue to their employers is no less evident. The Institute work has been supplemented by social reunions of Chapter members, where closer relationship and fraternal spirit have been fostered that must go far toward making the bank clerks realize the all-important fact that the Chapters are not a collection of isolated clubs, scattered about the country, but are parts of a homogeneous organization of which the American Bankers' Association is the head.

It is gratifying to note that bank officers and bankers of prominence throughout the country are taking increasing interest in the Institute and urging, not only upon their employes, but upon their associates, the importance and value of the work in which it is engaged. There is now scarcely a State Bankers' Association that does

not at its convention make commendatory mention of the Institute. Chapter officers have been invited to address many of these conventions on Chapter and Institute work.

In the report of the Secretary last year, mention was made of the book "Industrial Methods in the United States in Relation to Banking and Currency," which members of the Chicago Chapter were engaged in preparing. This work is progressing in a satisfactory way and there seems to be no doubt that the volume will be completed by December next and in press shortly thereafter. A prominent publishing house has offered to bring out the book. Several Chapters are taking steps to procure libraries. St. Louis Chapter has established a library which at present contains two hundred standard works on financial and economic subjects.

There have been many instructive courses of lectures delivered before the Chapters. Notable among them are "History of Banking in America," by Prof. Carl C. Plehn, of the University of California, before the San Francisco Chapter; "Contracts," by Ralph Robinson, attorney at law, before the Baltimore Chapter; "Negotiable Instruments Law," by Thomas B. Patton, before the Alexander Hamilton Chapter, and "Banking Law Talks," by Prof. Leslie Tompkins, of the New York University, before the New York Chapter. Almost every Chapter in the Institute has enjoyed something of this sort. In addition there have been a number of addresses on various subjects by prominent men. Among those who addressed the Chapters within the past year are Hon. Chas. N. Fowler, of New Jersey, Chairman of the Banking and Currency Committee of the National House of Representatives; Hon. Lyman J. Gage, ex-Secretary of the Treasury; O. P. Austin, Chief of the Bureau of Statistics, Washington, D. C.; Milton E. Ailes, ex-Assistant Secretary of the Treasury; Harry Coope, L.L.M., of the United States Treasury Department; James W. Sample, Chief of the Department of Issue, United States Treasury; B. E. Walker, General Manager Canadian Bank of Commerce, Toronto, Canada, and Hon. Bird S. Coler, ex-Comptroller, New York City.

To the fact that the Chapters emphasize the attainments and accomplishments of their members is due the many promotions that have been made to official positions from the ranks of Chapters. No better evidence of the practical work of the Institute could be found.

The Institute now has on its list thirty Chapters, twenty-five of them strong and vigorous—two in New York, one in Baltimore, Boston, Brooklyn, Buffalo, Chicago, Cincinnati, Cleveland, Denver, Detroit, Grand Rapids, Hampden County, Mass., Hartford, Kansas City, Los Angeles, Louisville, Milwaukee, Minneapolis, Philadelphia, Pittsburg, Providence, Richmond, St. Louis, St. Paul, Salt Lake City, San Francisco, Toledo, Topeka, Washington.

The Bulletin has now over 5,500 paid subscriptions divided about equally between Chapter members and non-Chapter members. The issue for August 15 was mailed as follows:

Alabama, 16; Alaska, 1; Arizona, 17; Arkansas, 19; California, 401; Canada, 18; Colorado, 41; Cuba, 1; Connecticut, 107; Delaware, 9; District of Columbia, 51; Kentucky, 33; Louisiana, 25; Maine, 25; Maryland, 206; Massachusetts, 156; Mexico, 6; Michigan, 148; Minnesota, 303; Mississippi, 23; Missouri, 223; Montana, 30; Ohio, 361; Oklahoma, 7; Oregon, 22; Pennsylvania, 593; Porto Rico, 2; Rhode Island, 123; South Carolina, 11; South Dakota, 24; Tennessee, 9; Texas, 52; Utah, 47; Florida, 41; Georgia, 60; Hawaii, 3; Idaho, 9; Illinois, 541; Indiana, 50; Indian Territory, 8; Iowa, 100; Kansas, 70; Nebraska, 49; Nevada, 2; New Hampshire, 17;

New Jersey, 125; New Mexico, 3; New York, 426; New York City, 556; North Carolina, 35; North Dakota, 28; Vermont, 9; Virginia, 64; Washington, 27; West Virginia, 16; Wisconsin, 193; Wyoming, 3; Foreign, 27. Total, 5,587.

THE BULLETIN in its general conduct has adhered closely to the policy laid down by its founders, and the fact that its subscription list has continued to grow is sufficient evidence that the policy is a wise one. THE BULLETIN has won a high place in the estimation of many, as is attested by the large number of highly commendatory letters that have been received. It in no sense pretends to encroach upon the field of the general banking and financial publications of the country. It is first and last a bank clerks' paper, the official organ of the Institute. Its object primarily is educational, and it makes no attempt to gather and print news items, except so far as they refer to the work of the Chapters and to the courses of study of the Correspondence School. In its columns preference has been given to addresses and papers prepared and read by Chapter members, to special articles by Institute men, and to addresses delivered by prominent men before the various Chapters. The editorials have been brief and have been carefully restricted to the advancement of the Institute work. In its "Among the Chapters" department have been printed news of the various Chapters, reports of their debates and discussions, notices of special work undertaken, &c., with the object of making this department as complete an official report as possible of all that goes on within the Chapters.

In the "Collateral Reading" department there has appeared general information of educational interest, not only to students in the Correspondence School, but to Chapter members and to other subscribers. This has been a popular department. In the "Talks with Students" department has appeared matter relating to the different subjects of study of the Correspondence School and of helpful interest to the students in the various courses. Difficulties met with by the students while pursuing their studies are here discussed and the way shown to overcome them. The Correspondence department is an important one, for in it are printed, and where possible answered, letters of inquiry from members of the Institute relating to their daily work.

The Bulletin finds great favor with employees of country banks. Through it they are kept in close touch with their fellows in the larger cities and are made familiar with the practices and methods of city institutions and are thus qualified to render more efficient service to their own banks and to reap the larger rewards that such service commands. The proof of this is contained in such letters as the following:

I inclose draft to renew my subscription for the BULLETIN. It would be impossible for me to get along without it. I think we get more information from the BULLETIN for the same money than from any other source I know of. It is certainly a very valuable publication.

The Bulletin is also appreciated in the city banks, as is shown by the following letter from the cashier of one of the most important banks in the city of New York:

I expectantly await its publication and read it with increasing interest from month to month. In my opinion it supplies a long felt want. Its proper use among the bank clerks of the country cannot but serve to minimize the tendency that is always more or less prevalent among clerical workers, to confine themselves to mere machine-like performance of their duties. If your paper did no more than induce men to think it would be worthy of their support, but it does far more than that, and I must join with its numerous other friends in wishing it long continued success.

The Correspondence School is an invaluable department of the Institute. The good work it has accomplished is but the beginning of what can be done. The urgent need for such work has been demonstrated. Another year's experience has proved the undeniable truth of the statement contained in the Secretary's report of last year, which is as follows:

The Correspondence School of Banking does for the country

bank what his city cousin gets out of the Chapter. The two avenues of improvement and advancement which the Institute opens to bank clerks are characterized by the way in which they are employed by the clerks. The young men in towns and villages and the smaller cities of the country take up the correspondence courses of instruction, while their cousins in the larger cities get together in Chapter organizations and give attention to essay reading, debates, investigations, etc., all more or less in the direction of study, under the auspices of specially engaged teachers.

The proportion of Chapter-member students to the whole number of students is about ten per cent, which supports the statement in the Secretary's report that the Correspondence School finds greater favor with the bank clerks in localities where chapter membership is not available. The number of students is at this date approximately 800.

In the conduct of the school the general policy as originally outlined has been adhered to. The favorite courses have been those relating directly to the practical operations of banking. Commercial law holds a close second place and the remaining courses are about evenly distributed.

Experience has shown that it is perhaps advisable to revise the courses by combining those that are logically related. At present there are sixteen courses. Each of these is an independent subject that must be supplemented by one or more of the others to secure the comprehensive training that is necessary for efficiency in any department of bank work. It is this practical desire that animates the majority of the students rather than the desire for scholastic attainment in any one special branch. It would be in the interest of the students, therefore, if some such policy of concentration were carried out. It is feasible. It would better equip the students for the practice of the banking profession and would do so at a smaller expense than under the present policy. The plan proposed for such revision of studies may be found in the printed reports.

It has been demonstrated that bank clerks, especially those outside of the larger cities, are alive to the need of such instruction as the Institute affords. Generally speaking, the Institute is a success and its influence will in time reach a majority of the bank clerks of the country.

The primary object of the American Bankers' Association is "to promote the welfare and usefulness of banks." How can that object be better attained than by maintaining an educational system through which the bank clerk may acquire a thorough knowledge of the theory of banking? I have endeavored to show you what the Association, through its Committee on Education, has done and is doing in this direction. The question arises, What, if anything, can be done to create a greater interest in the movement and make it more effective. I suggest for your consideration a closer alliance or affiliation between this Association and the Institute. This can be accomplished by providing for the appointment of the Board of Trustees by the Executive Council, and for an annual examination in such branches as shall be appointed by the Executive Council, the passing of which shall entitle the candidate to the certificate of the Institute. These are greatly prized and sought after by the bankers and bank clerks of the United States, as are the certificates of the Institute of Bankers in London by the bankers and bank clerks of Great Britain. The value of these examinations is becoming yearly more appreciated, as is shown not only by the increasing number of candidates, but by the fact that many of the leading banks and bankers of London and the provinces now give prizes to those of their officials who pass them. It has been said by one of the leading bankers in Chicago, "The benefit of these examinations to the future race of bankers cannot be overestimated. To educate the clerk of to-day, who is to become the manager of to-morrow, is to lay a foundation of a better and more substantial system."

Never in the history of banking in this country were thoroughly trained bankers so greatly needed as at present. Men of sound and healthy judgment with which to

direct the use of trained faculties and powers. Education in a broad sense comprehends all that disciplines and enlightens the understanding, corrects the temper, cultivates the taste and forms the manners and habits.

Special or professional education aims to fit one for the particular vocation or profession in which he is to engage. While the chief aim of the American Institute of Bank Clerks is the education of bank clerks in the sci-

ence and practice of banking, its effect will be to broaden and liberalize them, enlarge their views, widen their outlook, quicken their sympathies, beget an increased public spirit, make them more efficient and better qualified to perform the duties of the positions they now occupy and fit them to fill advanced positions when called upon to do so. What more laudable or profitable work could the American Bankers' Association undertake?

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TWENTY-NINTH ANNUAL CONVENTION, HELD AT SAN FRANCISCO, OCTOBER 21st, 22d and 23d.

FIRST DAY'S PROCEEDINGS.

Wednesday, October 21, 1903.

The Convention met at ten o'clock a.m., at the California Theatre, San Francisco, Cal., October 21, 1903, being called to order by the President, Mr. Caldwell Hardy, of Norfolk, Va.

Prayer was offered by the Right Rev. William Ford Nichols, Bishop Episcopal Diocese of California.

The President: We will now listen to an address of welcome to the city of San Francisco by Hon. E. E. Schmitz, Mayor of the city.

Address of Welcome by the Mayor of San Francisco.

Mayor Schmitz: As the Chief Executive officer of this city, and on behalf of all her people, I extend you a hearty welcome.

You who have come from the distant centers of our national life have done us signal honor by selecting this far Western outpost of our American development as the meeting place of your important convention, and it is the desire of our citizens that your welcome shall be not only to our city, but also to the hearts and homes of our people. For whatever be the fact in other lands, we recognize that in the life of the American banker there is always room for the play of the impulses of the heart and of the influences of the home.

We welcome you, not alone for the advantages which may in the future accrue through your visit to the city, of which we are so proud, but also for the achievements which have already been made possible for San Francisco, and indeed, for all California, through the conservative, yet abundant confidence of the men who control the financial arteries of the nation—the bankers of the United States. (Applause.)

Our State and our City have great natural advantages; we glory in our sunshine, our fruit and our flowers; we exult in our great mineral and other material resources, but we know that without the aid of capital, co-operating amicably with the hands of labor, all this natural wealth, unproductive, would be dead and would contribute nothing to the prosperity or advancement of our people. Inert wealth is barren of advantage.

The future holds for San Francisco great possibilities from the internal resources of our State, from the establishment of local industries and enterprises, as well as from the commercial development which will arise from our new policy of national expansion, from the annexation of the Hawaiian Islands, from the acquisition of the Philippines, from the opening doors of Oriental empires, from the Isthmian Canal—yet we all know that without the generous yet conservative regulating hand of capital at the throttle the engine of commercial prosperity may explode its boilers, or run off its track, leaving ruin instead of advancement, wreck or stagnation, instead of affluence and progress. You have great power. We realize that in your commanding hands, through which daily ebbs and flows the tide of the nation's wealth, you hold in a large measure the commercial and industrial destiny not only of the city of San Francisco, not alone of the State of California, but, indeed, of our entire country, and of all your fellow citizens.

The people look upon you largely as the middlemen of commerce and industry, the balance wheel between those who pay and those who receive. They know that through your advice and judgment the scales may hang even or uneven between capital and capital, as well as between capital and labor, and they live in the confident hope that your judgment and your advice will always be such that conditions of peace may ever prevail, both in those com-

mercial competitions in which capital vies with capital, and in the industrial competitions in which capital meets with labor, ever bearing in mind that these factors of our national progress are, and ever should be, co-ordinately and reciprocally interested for their own benefit and protection in creating and maintaining such conditions that capital may always have safe and constant investment in order that labor may have steady and remunerative employment.

These problems and many others being largely in your hands, our community recognizes the importance of your gathering, and the seriousness of your deliberations and is greatly interested in them.

You are the financial engineers of our country. You determine the lines of our commercial and industrial action.

It is for you to solve the great problems arising from the demand and supply of our medium of exchange in the various sections of our country. It is for you, like financial physicians, to hold your hands on the nation's financial pulse and to determine the ailments, if any, which exist, and the remedies to apply.

You all realize and know that the prosperity and well being of the nation are not measured merely by the amount of money stored in the banks and safe deposit vaults, but largely also by the advancement and progress of the masses of the people, and by the peace and contentment which may prevail among her citizens.

In the consideration of the questions which may come before you, this element will, I am sure, be accorded such attention as will assist in the development of our national prosperity and pride, and will redound to the benefit and advantage of every element of our population, irrespective of class, condition, financial or social station.

To the great credit of you who control the finances of our country, let it be said that in almost every emergency you have been ready and prompt to act for the community's common good.

It may be especially appropriate in this presence also to say that the banking element of San Francisco has ever been especially ready to co-operate with the rest of our citizenship in everything which tended to the up-building and uplifting of our city, its business and its enterprises, or which conduced to its material advancement and progress, and that our bankers have for that reason always enjoyed the good will of the great majority of our people.

Gentlemen of the Convention, once again I welcome you.

Address of Welcome by George C. Pardee, Governor of California.

Gentlemen of the Bankers' Convention:

It is not often that the Governor of California has an opportunity such as this. Whenever the Governor has faced even a single banker, the latter has listened only as long as he pleased. To-day, however, the tables are turned. The Governor must, out of sheer politeness, if for no other reason, be listened to as long as he wants to talk. And to think that he has, not one but such a multitude of bankers, even the assembled representatives of the whole American banking world, completely at his mercy, fills the Governor's soul with a great and consuming joy. My "paper" to-day, for once, must be "accepted" without "protest;" the "drawer" has the "drawee" at a great disadvantage; no "discount" will be allowed; it is a "sight draft," without "grace," "second and third" not only "unpaid," but even "unsold." Gentlemen, there is but one thing for you to do, and that is to shelter yourselves behind the customary "no re-

course;" for you had but one, and that I have removed by seeing to it that yonder doors are locked and carefully guarded.

I suppose I ought to have begun this address of welcome by asking you the question with which, it is said, every Californian greets those whom he for the first time meets—viz., "How do you like California?" What we really mean by that question is really not "*How* do you like California?" but "*How much* do you like California?" For we know that everybody likes the Golden State, and we always judge of the intelligence and intellectuality of the stranger within our gates by the degree of love he expresses for California. So, as I look out over your faces to-day, I am sure that you like California better, almost, than any other place on earth.

But you are not strangers within our gates. You are our welcome guests. Welcome to the land where there are no lightning rods nor cyclone cellars; where no one dies from heat nor perishes with cold; where roses bloom the year around, and Nature always turns her smiling face toward him who trusts her for his sustenance. Welcome to the Western boundary of the United States, where the great Pacific sends his surges thundering to our very doors—the great Pacific that soon will bear upon his calm, untroubled bosom such argosies as trade and commerce have not seen before! Welcome to the Golden Gate, which opens on to fat Cathay, and through which, ere long, will flow the "wealth of Ormus and of Ind!" Welcome to our mines, our forests, our mountains, our valleys, soon to team with millions where but scattering tens of thousands now reside! Welcome to the dizzy depths and towering heights of the Yosemite! Welcome to the green and gold of our orange and lemon groves! Welcome, in a word, to California! For you there is no latchstring and no key—our doors are all ajar!

"Better loved ye canna be;

Wull ye no coom back agen?"

The President: We will now listen to an address by the Hon. James D. Phelan, representing the bankers of San Francisco.

Address of Welcome, by Hon. James D. Phelan, President of the Mutual Savings Bank of San Francisco.

In providing three welcoming speeches the Committee no doubt desired to express, as by an object lesson, that you are thrice welcome; and in welcoming the Bankers' Association to San Francisco we are not unmindful of the compliment of your coming. We thank you for having come.

In one sense our city is remote from the money centers of the country, and in another sense the money centers are remote from us. San Francisco is nearer the geographical center of the United States than the cities of the East. At one time we were the outpost, but now we have Alaska and our island possessions far to the westward, and we feel less the sense of isolation. We are on the road, instead of being at the end of the road. The convenience of travel and the rapidity of communication, and, more than all, your actual presence, have convinced us, however, that you come not as strangers, but as neighbors, fellow citizens of our great Republic, bound together by hooks of steel, as Shakespeare has defined the ties of friendship; that our interests are one, and that better acquaintance will result in common advantage.

You, gentlemen of the Bankers' Association, represent the great Eastern money centers; we represent the financial center of an important subdivision of the country. Unparalleled natural resources, found in our mountains and valleys, lie behind us, and a great waterway stretches before us.

San Francisco is the chief port of the United States on the greatest of the world's oceans—an ocean which in turn washes the shores of the most populous of the world's countries. So we have the prestige of position in the commerce of the Pacific.

The early history of our city, however, has been associated more intimately with the discovery of gold. The

reason for our city existed before the discovery of gold, and it will stand until man's thirst for gold is satisfied. Ours, therefore, is an eternal city, sitting, like Rome, upon its seven hills.

Our claims as a financial center are undisputed. We speak in the capitals of the world for the wealth of California, and we have here the facilities for doing the necessary work. The precious metals are coined in the mint located in this city, and the Sub-Treasury holds the large collection of customs and internal revenues made in this port, although the National Banks do their best to keep it in circulation. We have 7 National Banks, 25 commercial Bank and Trust Companies, organized under the laws of the State, and 9 Savings Banks. In the State there are 61 National Banks, 210 State Commercial Banks, 68 Savings Banks and 19 private banks, with a total of \$570,000,000 of assets.

In the past sixteen years there has been a net increase of 33 National Banks, 122 Commercial Banks and 34 Savings Banks, which shows the rapidity of the growth of banking institutions. The total clearings of the San Francisco Clearing House for the year 1902 were \$1,373,336,000, and Bradstreet's report of the clearings for the last week shows San Francisco seventh on the list of American cities with \$32,826,000, ranking every city West of Pittsburg, excepting Chicago and St. Louis. Los Angeles is twenty-second, with \$6,500,000, and Seattle twenty-seventh, with \$4,800,000. San Francisco is the New York of the Pacific Slope, and the capital of what President Roosevelt called during his recent visit "the West of the West. Its financial stability seems to be insured by the diversity of its resources. In California a total failure of crops is unknown. Not only like the Middle West have we cereals and cattle, but all kinds of minerals, including mineral oil, and all kinds of agricultural and horticultural products find yield in abundance; and so the gold fields, golden grain, golden fruits are all tributary to the city by the Golden Gate, where mechanical skill also makes its home; where the "Oregon," the pride of the navy, and the "Olympia," the flagship of Dewey, were built, and where the municipal arms bear the appropriate motto, worthily won, "Gold in peace and iron in war."

It is true that we have labored under the disadvantage in the past of having high priced fuel, but now oil and the power generated in our mountain streams and transmitted to the cities make us independent of the world. Obliterating the Middle West, submerge the populous East, and bury the country's metropolis deep in one of its yawning subways, California could still stand alone, a self-sufficient commonwealth.

But what has developed our State? The Eastern immigration; and where do we market our products? In the Eastern States. Without you, we would be a province; with you, we are an empire. Our interests are interdependent. If any calamity befell you, to whose sympathetic ears would we recount our glories? Your tourists and your home seekers freely come without the compulsion of calamity.

We have read of the great floods in Wall Street, which reminds us of the freshets in Western streams after a thaw—and using a Western term, they call the streets of Gotham cañons formed by the granite walls rising on either side. You have also your scenic wonders, and in the neighborhood of the Stock Exchange is what they call the "pit," which now seems bottomless—caused either by glacial action, or the erosion of water. Like the sunken road at Waterloo—suggestive description of the battle of giants now being waged—the Napoleons of finance will soon fill it up.

We have had our speculative experience, but not since the '70's, in the manipulation of Nevada mining shares, which demoralized business and impoverished the people. The pit was the threshold of the pitfall. Mining in California had no such effect, for it was conducted legitimately by the pioneer. But it may be interesting for you to know what effect the discovery of gold in Cali-

formula did have, and its subsequent yield to date of \$1,380,000,000. It gave character to the State for all time, and at a critical period strengthened the Union cause. Historians tell us that the yield of California gold was no insignificant element in the success of Union arms. California was a loyal State, and its gold production gave credit to the Federal Government at a time when it was most needed, and which enabled it to carry on the war. We are told by a distinguished authority, to wage a successful war three things are necessary: "First, money; second, money; third, money;" and here is where the pen is mightier than the sword, and the banker more potent than the battery!

The men who are the custodians of the people's money should never be estranged from the people's cause, but should aid every legitimate enterprise; and, if needs be, finance every necessary war. The banker is an important integral part of any community, and must cast his fortunes with it. If San Francisco suffers, its bankers are the first to feel the pain, and that is true of all other bankers in every other land.

The banker is not a mere money-lender. He controls the motive power as well as the brake of industrial undertakings. His judgment, if wisely exercised, either prevents failure or speeds success. There are illustrious examples. After Isabella had pawned her jewels, Columbus was not half equipped for the voyage, but he was finally outfitted by his bankers, the Pinzons, who made possible the discovery of America, and if they did not receive their contingent 33 1-3 per cent., at any rate, like their client they did not go to jail, which was something. I think they also got their boat back.

Robert Morris was the banker of the Revolution, and when he with others pledged to the cause "his fortune and his sacred honor," he banked on the success of Washington, just as Washington banked on the financial skill and patriotism of Morris.

Conservative and enlightened banking is a high and worthy pursuit—to keep safe the money of the people and advance the interests of city, State and nation. So we welcome you for the power of your position and the worthiness of your work.

But to return, How did the discovery of gold give character to financial California? It logically put us on a sound money basis. During the period of rag money we adhered to our own monetary system. A merchant who paid his debts in depreciated currency was discredited. The Legislature gave us a specific contract law, which stands to-day, and which has been upheld by the Courts, enabling any citizen to contract for the payment of his bills in gold.

To meet these conditions, Congress after it had created National Banks, authorized National Gold Banks, and I believe the First National Bank of San Francisco was the first gold bank established under that act. After the resumption of specie payments the reason ceased and the law was repealed.

Unlike the usage elsewhere, however, you will still find gold in common use among our people, and you will confess that there is some satisfaction in handling the basic metal itself in our daily exchanges. It is akin to dealing with the principal instead of with his representative. The five, the ten and the twenty dollar piece circulate freely, and in this wide world there is no coin more beautiful than the double eagle of Uncle Sam. Stamped on the precious metal itself, whose weight, fineness, color and form evidence its intrinsic virtues, solid yet brilliant, are imaged the lineaments of the Bird of Freedom and the Goddess of Liberty—the one to soar abroad, respected everywhere; the other to symbolize at home domestic industry. And if the coin is inscribed with the message, "In God we trust," it asks nothing impossible of God!

Our people do not like paper money, nor paper capitalization. In common with your own purposes, they look for security in real values. And so California is a safe field for banking as well as for bankers, and that is

one of the reasons why you were bidden hither, and you, although not unaccustomed to saying "No," and to say it graciously, accepted our invitation. We thank you for it. We invite you now to share the love we bear our State, to which you have been introduced perhaps in extravagant phrase; but it can best and most truly speak for itself.

And, on behalf of our bankers, I extend you again a most hearty welcome.

Reply of President Hardy to Addresses of Welcome.

To you, gentlemen, who have so warmly and eloquently welcomed us, let me express the hearty appreciation of the members of the American Bankers' Association. The fame of your beautiful city and of the great Pacific coast, with its glorious climate, its wealth of fruits and flowers, not forgetting your more material wealth, has become as world-wide as the great ocean upon which many of us look out for the first time. The cordiality with which your hospitality is tendered us, leaves the impress of its sincerity, and we come prepared to enjoy it to the full and take home with us any that may be left over.

One of my early recollections is of sitting in open-eyed wonder, listening to the marvelous tales of one of the old "forty-niners," an old friend of my childhood days. His tales of trial, privation and adventure, among those rugged pioneers who first wrested from mother earth her hidden treasures of yellow metal, have now grown familiar to all; but, how little did even those brave spirits dream of the glorious civilization, wealth and culture whose foundation they were laying. The wonderful creation of your energy and toil which you set before us, marks an advancement which speaks more eloquently than words of your courage, wisdom and enterprise. Your achievements reflect a noble ambition; we rejoice with you in this opportunity of sharing their enjoyment and wish you Godspeed in the further development of the bright future before you. Your Golden State, through its Golden Gate, is "casting its bread upon the waters" of the great Pacific and from the Orient will, in time, receive a return equalled only by the great wealth developed within its own borders. It will take but a few years of this twentieth century for your commerce to show more development than has taken place in the 400 years since Balboa first gazed upon the great waters of the Pacific. When we separate to return to our homes we shall carry with us an example which we may all strive to emulate.

Once more, in behalf of the members of the association, I thank you for your hearty welcome; it is worth coming 3,000 miles for.

Annual Address of Caldwell Hardy, President American Bankers' Association.

Another year has passed since our last convention, and we come together impressed, as we are at each of our annual gatherings, with the momentous tide which has swept us along into history, the history of a commercial and financial epoch such as has never been witnessed before, the future of which holds an interest for all of us, and is equalled only by the giant forces which have been instrumental in our progress. To attempt to review in detail these events would be impossible, but I shall aim to touch briefly on some salient points bearing on our finances and commerce.

OUR DEVELOPMENT.

A few years ago we were engaged in a battle of the standards, an uncompromising and decisive struggle between a debased and the gold standard, recognized by the enlightened world; but, fierce as was the contest, the intelligence of our people arrived at the sound conclusion, as it always does, and in the final adherence to the gold standard laid a new corner-stone of prosperity. And what has enabled us to build on this foundation the widespread edifices of our national growth? Good crops, as the fountain source, lending a new impetus to the wheels of industry, insuring abundant employment for labor in our fields, our mines, our factories and our

railroads. A conjunction of these re-awakened energies went pulsating through our arteries of commerce an increased demand and production, responsive to each other. Good times have come again to our farmers and our manufacturers, and our railroads have been burdened with our crops and products and the return merchandise purchased with their proceeds.

The unprecedented prosperity of the past few years, growing out of these conditions, brought us last fall to a climax of high prices for commodities and securities of all kinds. The same sunshine which brings to its full fruition our rich harvests also fosters the tares, unless they be plucked up. So among the substantial edifices of our prosperity have sprung up artificial commercial structures, which have failed, signally, to stand the test of time. Over-sanguine people, some probably not over-scrupulous (but there are few people more capable of making trouble than your full fledged unadulterated optimist), swept away with the craze for making money or anxious to profit by this craze in others, had been capitalizing and recapitalizing schemes of all kinds and inducing people, with paper profits, to underwrite flotations which they were as unable to carry as Gulliver was to lift himself by his boot straps. The boom had gone too far and the pessimists predicted open disaster, the natural reaction set in, money was in demand at increasing rates, extended credits were being withdrawn, collaterals and securities were closely scrutinized and a general house-cleaning begun where it was most needed, in the weeding out of over-capitalization and inflated securities.

We have gone through a period of liquidation in speculative circles of the most drastic character, without serious results except to the few who have gotten too far beyond their depth. The process is not yet complete and the way is still strewn with cripples and "indigestible" securities, but that general business conditions are sound no one can doubt. That we shall have an ebb and flow in the tides of industry is as certain as the cycle of seasons, and the source of these tides comes from our mother earth to the tillers of our soil and, as seed time and harvest yield returns, so shall our prosperity be.

A WORD OF CAUTION.

Let us review, briefly, the attitude and relation of some of our banking institutions to the conditions and incidents referred to, and the methods pursued by them in the prosecution of their business. I refer especially to the vicious policy of paying high rates for deposits, particularly savings and time deposits. The incidents of 1893 and the next few subsequent years left their indelible impress upon the minds of most of our older bankers, but there are not wanting signs that these lessons have been forgotten. If there is any class of men more than others who should never take speculative risks it is those who are handling the earnings and savings of others, and the seeking of deposits at high rates of interest, which can only be earned by speculative investments, is a menace to sound banking. Savings depositors for safety of principal rather than alluring interest rates, which are necessarily coupled with greater hazards, should carefully shun such institutions, of which there are, however, happily, but few.

Our banks, indissolubly linked with the commercial interests of our country, have been as a whole eminently conservative, and the present confidence in their stability and soundness attests the ability and fidelity with which you, their representatives, have discharged your great responsibilities.

HAVE WE OVERTAXED OUR WEALTH?

The vast increase in our national wealth is unmistakably attested by the enormous increase in bank deposits, in the aggregate value of our marketable securities, of manufactured products and our industrial plants. That we have successfully stood the liquidation through which we have passed is another unmistakable evidence of our wealth; but, after all, have we not been attempting to develop our resources, even in a legitimate way,

more rapidly than our capital would conservatively permit of? Our steady increase of population, healthy as it is, is almost infinitesimal compared with the field before us in undeveloped resources of our country. The population which our country could successfully maintain is so far beyond the ken of human knowledge that it remains for generations yet unborn to solve the question. If this be so, has not our development outstripped our wealth; and, if so, what is the remedy? Certainly not by seeking to push the development on borrowed capital or inflated credit, but by contenting ourselves with cutting our garment according to our cloth, building steadily, only as our resources enable us, paying as we go, owing what we buy.

CURRENCY.

The changes have been rung on it and rightly. I fear you would be reluctant to admit that you know more about it than your Bible, but I suspect you think you do all the same, and if there is anything about which a banker thinks he knows more, and probably knows less, it is the currency. The conditions existing in this country differentiate the currency problem for us from that of any other country that has ever had a paper currency, and every man's views are more or less theory when he has had no opportunity of demonstrating them practically. What part has the currency problem played in the stirring commercial events to which I have alluded? The vast majority of us feel assured we have had, so far, all the currency we have needed and that an increase of it, just at this time, would lend a further undesirable stimulus to speculation. The enormous production of gold in the last few years (about which we are to have some very interesting figures from one of our distinguished guests) has been either lost sight of, or, if studied, will furnish food for thought. The advantages claimed for the bank circulation of other countries over our bond secured notes have much merit from a scientific standpoint, and would have more from a practical standpoint if the element of risk could be eliminated which has brought disaster in some instances—notably, in that of the Australian banks some years ago. The practical question is, could it be satisfactorily grafted on to our banking system, and if so, how? The idea of a "central bank" or a "branch banking system" is repugnant to our conception of free government and institutions, and, unless I mistake the temper of our people, will never be accepted. Neither will any form of currency be accepted which does not carry with it the same confidence of security which our bank notes now enjoy.

The discussion of the matter from an academic standpoint can be prolonged indefinitely, but what the practical banker wants is details which will carry conviction to his mind as to how such a currency can be so guarded as to fulfill the conditions outlined. What we need is a currency to be used, not for the purpose of creating new liabilities, but to enable us to move our crops without distress and to liquidate comfortably liabilities already created. We shall, probably, arrive at some solution of this question, first, in the shape of a limited circulation, so highly taxed as to permit only of its temporary use from time to time, and be governed further by the results of this experiment. I should use here the popular term of "Emergency Circulation," but for a recent protest from a friend in discussing this subject, which suggests the paraphrase that "a rose by some other name would smell sweeter," he says:

"Why will people continue to refer to this needed adjunct to our currency by a title (emergency) that would preclude any sound banker from using it, when he would thereby confess that he had reached a point where air was not sufficient for his lungs, and he was using oxygen, equivalent to the doctor's saying he was on his last legs and that there was only one hope of saving him, and that was extreme measures. We don't want an extreme unction currency."

At your last convention resolutions were adopted authorizing the appointment by your president of a com-

mittee of seven citizens of the United States to consider and report to your next convention on the "Currency Question," and, in pursuance of these resolutions, the following gentlemen were appointed on the committee provided for:

C. S. Fairchild, New York Security & Trust Company, New York; H. C. Fahnestock, First National Bank, New York; Myron T. Herrick, Society for Savings, Cleveland; J. J. Mitchell, Illinois Trust & Savings Bank, Chicago; J. C. Van Blarcom, National Bank of Commerce, St. Louis; Homer S. King, Wells, Fargo & Co. Bank, San Francisco; George Q. Whitney, Whitney National Bank, New Orleans.

They have given the matter serious and earnest consideration and their report, which will be presented to you to-day, reflects the care and conservatism with which they have discharged the duty imposed upon them.

SUB-TREASURY SYSTEM.

The natural function of a bank is to gather the money of the community that it serves and distribute it in loans on good security among those who need it, and the bank that performs this function with the greatest care and success best serves the interest of its people. The money of the country should stay in the channels of trade, and the miser who gathers his gold and hoards it is a parasite on the body politic, but when the government by taxation gathers money in advance and in excess of its needs, and withdraws the same from the channels of trade, it is doing exactly what the miser does. No other intelligent people would have so long rested passively under such a system, and we should voice our demands for a reformation of this pernicious practice in no uncertain tones.

The disposition of a secretary to minimize this difficulty should not depend upon an individual construction of the law, but the statutes on the subject should be made so plain as to make the duties of the secretary ministerial only, and so regulate the operations of the government as to meet its requirements without friction with the general finances of commerce.

A discussion of the currency brings us irresistibly to the consideration of this antiquated method of handling government funds, and the report of our currency committee, heretofore referred to, accentuates the necessity for dealing with this subject as a question to be first disposed of, precedent to the undertaking of any currency reform. The demoralizing effect of the annual talk regarding locking up of money in the Treasury is almost worse than the actual withdrawal of the funds. Remove the cause of the discussion and the ending of it will be quite as beneficial as the actual freeing of the money. I hope it may be your pleasure to push vigorously the reform recommended by the committee in this respect.

INDUSTRIALS.

A consideration of our present development and conditions would not be complete without reference to our corporations of the present day, standing as they necessarily do in such intimate relationship to banking.

In the formation of our great industrial corporations we have been confronted with new and strange conditions, so experimental in character that we can as yet reach no conclusion as to what will be their destiny. Eliminating those of a fraudulent or fictitious character, nearly all of them have been subject to criticism in the matter of capitalization, and the weak point, I might say, with all of them has been the failure to provide a reasonable working capital. A considerable number of minor corporations with local credit were able to secure on a legitimate basis an aggregate of bank accommodation, largely in excess of that which could be secured by many of the consolidated corporations into which these minor concerns have been merged. The necessities for enlargements and improvements have not been adequately provided for, and the working capital has often been, further impaired by the illegitimate declaration of dividends. That the follies and peccadilloes of these enterprises have not brought more serious consequences to the

whole body politic is a cause for congratulation, but it is a subject for regret that there have been so many innocent sufferers from their operations.

RAILROADS.

There has been a greater creation of securities in the consolidation of many of our railroads than actual values, apparently, justify, and where this has been the case we naturally cannot lend our approval, but the concentration of management and control has brought about a stability of rates, which has created an established value for their legitimate securities without hardship to the patrons of the roads. It is a serious question whether the aggregate market value of all of our railroad securities equals the amounts originally expended in the construction of them with even a moderate return upon the investments. The reduction in the cost of transportation by reason of the great improvement in the physical conditions of the roads has made it possible to move freight profitably at rates which would have formerly been considered impossible. I do not mean to suggest that the roads should be left entirely free in the matter of fixing rates, but the reasonable concentration of their management should rather facilitate their control in this respect by conservative legislative enactment. The enormous increase of business developed by our prosperous condition has so overtaxed existing facilities as to necessitate extensive improvements, which have brought the roads into the market with borrowings which have seriously taxed our resources; but, where these improvements have been undertaken on a legitimate basis, there is, apparently little reason to apprehend any difficulty in carrying them to a successful completion and utilization.

PUBLICITY.

A word on this subject, as it relates to all public corporations. Some criticism has recently been made of the publication of the weekly New York bank statement. I use the incident merely to point a moral. The form and method of making this statement has been, more or less, a subject of discussion for some time past. If the form and method of publication is not as accurate as it should be, make it what it should be, but do not suppress it. The publication, occasionally, of an individual bank statement, which it subsequently develops is not legitimate, would be a poor excuse for the suppression of bank statements in general, and I think a suggestion that we do away with bank statements would be unanimously vetoed. Bank statements, in general, convey fair and intelligent information as to the status of the banks and, if the same publicity from other public corporations could be required, a most important service would be rendered the public. The great insurance companies, which look to the public for support, recognize the wisdom of publicity by publishing full detailed reports. And where this principle is not voluntarily recognized the States, by wise legislation, have protected the public by the establishment of departments for the supervision of the companies. The government has now taken up the work along more general lines through its new Department of Commerce, and I can but think that the movement will meet the approval of the best banking thought of the country.

OUR ASSOCIATION.

For details of what has been accomplished during the past year I shall refer you to the report of the chairman of the Executive Council, within whose province the active work of the association lies more particularly, and the reports of the various committees.

Our membership continues to show a healthy and gratifying increase, and has now risen beyond seven thousand. The work of our Protective Committee has been pushed with the vigor and intelligence which has characterized it for years past. Your Committee on Uniform Laws has continued its valuable work, and we look forward to the time when the law of negotiable instruments shall be the same in all of our States. The work being done by our Committee on Education is only

equalled by the undeveloped field before it. There may have been doubts, at times, in the minds of some of our members as to the value of this work, but the results achieved, as set forth in the committee's report, leave no further room for question. What more eloquent tribute to this work could be paid than that which I received in a recent letter from one of our prominent members, reading: "Already four of the most prominent men in instituting our chapter have been raised from 'the ranks' to officials in the banks with which they are connected." Your Fidelity Committee has devoted itself with painstaking care and assiduity for several years to the protection of your members against the unfaithfulness of employees and establishing of a uniform and fair form of bond, at reduced rates, which has resulted in the saving of many thousands of dollars to our members. The work of the committee has brought it to the point of outlining the future possibilities in the establishment of a "Bankers' Guaranty Fund." This would seem to be the logical conclusion of this work, and unless such a plan be adopted the committee has, probably, accomplished all it can do. The success which similar funds have met with in England and the establishment of them by large banks and other corporations attests their practicality. I cannot too strongly urge upon you the careful consideration of the report of the committee on this most important matter.

In reviewing the various subjects touched upon I have not hesitated to criticize, where I have felt it necessary, and to display a danger signal where it seemed to be required, but while counseling conservatism I would not have you count me a pessimist. Banking has developed into a profession and not a mere trade. We are insisting upon a more adequate preparation for business, for a larger education, a deeper knowledge of principles and economics and a fuller appreciation of the principles which should govern the relations of men in banking and commercial life. The achievements of our association in protective, educational and legislative work accentuates the possibilities of organized effort, and our growth in membership and influence are the tangible returns of the seeds which we have sown. May our future years continue to be filled with the further fruition of our efforts. Who can recount the friendships formed and tell of the memories of pleasant intercourse graven deep in our hearts, for which we are indebted to our beloved association? These may not be weighed and measured by scale and rule, but still would alone be sufficient reason for our existence.

Let us turn our faces, then, to the bright future of our country and our association. When the rising sun today first touched the easternmost border of our country it looked down upon the richest and most prosperous nation in the world, and when to-night it shall have cast its last rays on the Golden Gate, and passed on to Hawaii and the Philippines, it will leave behind the most enlightened and progressive people it has ever shone upon—we, of our great Republic.

The President: The next business in order is the annual report of the Secretary.

Report of the Secretary, Mr. James R. Branch.

October 1, 1903.

To the Members of the American Bankers' Association:
The membership and resources of the Association have increased as follows:

	Paid membership.	Annual dues.
September 1, 1875.....	1,600	\$11,606
September 1, 1885.....	1,395	10,940
September 1, 1895.....	1,570	12,975
October 1, 1903.....	7,065	76,538
The interest on \$10,000 Government 4s, 1925, \$400.00, makes a total income of		\$76,938

In the past year 313 members have been lost through failure, liquidation, and withdrawal from the Association, reducing the membership Sept. 1, 1902, to 5,926.

One thousand one hundred and thirty-nine members

have joined since Sept. 1, 1902, making a net gain over last year's total membership of 826, which is the largest number of banks ever added to our rolls in the same space of time.

The total membership is composed of

2,944 private bankers and banks with a capital and surplus below.....	\$50,000
1,501 banks with capital and surplus between	\$50,000 and 100,000
1,930 banks with capital and surplus between	100,000 and 500,000
357 banks with capital and surplus between	500,000 and 1,000,000
333 banks with capital and surplus.....	\$1,000,000 and over.

The aggregated capital, surplus and undivided profits of our members amount to \$10,547,230,405.

Respectfully submitted,

JAMES R. BRANCH,
Secretary.

The President: The next business in order is the annual report of the Treasurer, Mr. George F. Orde.

Report of the Treasurer, Mr. George F. Orde.

CHICAGO, ILL., September, 1903.

To the American Bankers' Association:

Gentlemen: I have the honor to submit the following report of receipts and disbursements since the beginning of the current fiscal year—viz., September 1, 1902:

RECEIPTS.	
Balance, September 1st, 1902.....	\$63,718.52
Proceeds of \$10,000 U. S. Reg 5 per cent. bonds of 1925, at 135 3-16 net.....	13,518.75
Interest on bonds.....	700.00
Proceeds sale of 17 copies Trust Company Forms..	208.08
Proceeds set of "Bulletins".....	25.00
Dues from 1,067 members 1902-'03.....	7,436.45
Dues from 2,112 old members paid in advance for 1903-'04	23,255.00
4,563 bills for membership dues for the ensuing year (subject to the deduction of unpaid bills), deposited with the Northern Trust Company Bank, Chicago, Ill.....	49,060.00
	\$157,921.80

DISBURSEMENTS.	
Standing Protective Committee.....	\$38,199.65
Committee on Fidelity Insurance.....	2,060.55
Committee on Education.....	7,693.92
Committee on Uniform Laws.....	55.50
Trust Company Section.....	478.88
Savings Bank Section.....	696.50
Expenses of New Orleans Convention.....	5,761.42
Proceedings, 1902.....	3,962.74
Distributing Proceedings, 1902	1,135.97
Circular letters (23,650).....	180.79
Stamped envelopes.....	1,111.54
Printing, stationery, etc.....	324.08
Salaries	15,656.75
Sundry expenses.....	543.48
Expenses Executive Council meeting, April 21st, 1903	2,639.48
Rent	2,033.34
New York Telephone Company.....	167.24
Petty cash.....	120.00
Traveling expenses of Secretary.....	271.25
Premium on officers' bonds.....	56.25
Office fixtures.....	410.00
Returned dues received in error.....	15.00
Account drafts deposited August 31st, 1902.....	30.00
Drafts charged back (234), account of dues for year 1902-'03	1,935.00
Balance August 31st, 1903.....	72,382.47
	\$157,921.80

Balance August 31st, 1902.....\$72,382.47

The National Bank of Commerce, New York, holds for account of the American Bankers' Association \$10,000 United States registered 4 per cent. bonds of 1925, at a market value of \$13,500. Respectfully submitted,

GEO. F. ORDE,

Treasurer American Bankers' Association.

The President: If there is no objection the report will be referred to a committee for audit, this committee to consist of Mr. Cambell, of the Hanover National Bank, New York; Mr. McAllister, of the Franklin National Bank, of Philadelphia, and Mr. George M. Reynolds, of the Continental National Bank, of Chicago. This committee will submit their report later.

The next business is the report of the Executive Council, by Chairman E. F. Swinney.

Report of Executive Council, by E. F. Swinney, Chairman.

Mr. President, Ladies and Gentlemen:

The reports of your various committees will give in detail the work of the Association for the last year. The statement of the Secretary shows that membership has grown in a most satisfactory manner, especially when we take into consideration that a large majority of the banks were already members.

The income of the Association has increased, but not in proportion to the expenses, the main item of expense being that of the Protective Committee, on account of the running down and breaking up, to a large extent, of organized bands of dangerous criminals, who worked in all sections and perpetrated some of the most daring robberies ever undertaken. Their report will give full detail as to the work, and the Association is to be congratulated on the signal success in this direction.

At the meeting of the Council in New York last spring a committee was appointed to take up the question of revising the dues of the Association. This report will be presented to you, and the Council unanimously urges its passage.

The work of the Currency Committee, appointed by the President under resolutions passed at New Orleans, is clear and to the point, and their suggestions are well worth the careful consideration of the Association, and the Council would unanimously recommend its approval by the Association. This committee being composed of financiers of national repute from all parts of the United States, their views naturally represent what they consider the welfare of the country at large and not in the interest of any one particular section. From personal interviews with members of the committee at various times, we can appreciate the care and great consideration given the subject, and their efforts deserve the highest commendation of the Association.

The work of the Committee on Education is showing its good effects. Their expenses have been decreased, and we believe their efforts will bring still better results.

The Committee on Fidelity Insurance offer the following resolution:

AN AMENDMENT TO THE CONSTITUTION OF THE AMERICAN BANKERS' ASSOCIATION, SO AS TO PERMIT FIDELITY INSURANCE.

An amendment to Article 3 of the Constitution of the American Bankers' Association by the addition of section 11:

Sec. 11. The Executive Council shall appoint a Board of five trustees for the management and administration of a fund to be known as "American Bankers' Guaranty Fund." Said fund shall be established for the purpose of enabling such of the members of this Association and their employees as may elect to become subscribers and contributors thereto, and to avail themselves of the advantages thereof, to provide, by means of a general co-operation among said members and their employees, a fund from which said members may be reimbursed for losses arising from the dishonest acts of their employees. Said Board of Trustees shall establish rules and regulations for the government and management of said fund, and the rules and regulations formulated and adopted by the Trustees shall be binding upon all the contributors to and beneficiaries of said fund. Vacancies in the Board of Trustees shall be filled by the Executive Council, and it shall be the duty of the Council to annually appoint an Auditing Committee to audit the books and accounts of said Trustees; but nothing herein contained shall be construed as creating any financial liability by the Association on account of said fund.

The Council appreciates the great efforts the committee has made in working out and considering this question, but after careful consideration of the ills which might arise should the Association adopt their report, recommend that it be not adopted.

I would ask that no action be taken on this resolution until after we have the report of the Committee on Fidelity Insurance.

The next, a resolution, which will be read by the Secretary.

This resolution was offered by Mr. Lewis E. Pierson, Vice-President of the New York National Exchange Bank:

The Secretary read as follows:

BANK MONEY ORDER SYSTEM.

Resolved, That this Association adopt a bank money order system, and that the President appoint a committee of five (5)

to devise a plan whereby members can be furnished uniform bank money orders with proper advertising matter in connection with the same at a minimum cost.

The report of this committee shall be rendered to the Executive Council, which is hereby empowered and requested to authorize such expenditure as shall, in their judgment, be proper to enable the committee to carry out its recommendations.

Mr. Swinney (continuing): The Council recommends the adoption of the foregoing resolution.

The following resolution is offered by Mr. Stephen M. Griswold, President of the Union Bank, of Brooklyn, N. Y.:

INTEREST ON DAILY BALANCES.

Whereas, The practice of paying interest on daily balances to individual depositors has grown to the extent of impairing the prosperity of many of the banks of our country, be it therefore

Resolved, That it is the sense of this convention that conservative banking demands that no such interest shall be paid.

Resolved, That the foregoing resolution be referred to the Executive Council for consideration and action.

The Council places the papers desired before the Convention.

The next is a resolution from Mr. George J. Seay, of Scott & Stringfellow, of Richmond, Va. This is a long resolution, and in view of the report we will have from the Currency Committee, the Council would suggest that it be laid upon the table. However, if any one desires it, we can have it read.

Mr. J. M. Holley, President of the Wisconsin Bankers' Association, La Crosse, Wis.: What is the tenor of the resolution, Mr. Chairman?

The Secretary: It is a letter received from Mr. Seay, who is the President of the Virginia Bankers' Association. I will read it, if you desire.

GOLD STANDARD—ALL KINDS OF MONEY EXCHANGEABLE FOR GOLD.

The Secretary read the resolution, as follows:

Whereas, By act of Congress, approved March 14th, 1900, the dollar consisting of 25.8 grains of gold, nine-tenths fine, was made the standard unit of value in the United States, by which the value of all property shall be measured, tested and proved; and,

Whereas, By the provisions of the said act the notes of the United States known as Greenbacks, amounting to \$348,681,018, together with the notes of the United States known as Treasury Notes, given for the purchase of silver bullion, amounting at that time to \$86,770,000, all of which notes being used as currency, passing from hand to hand, each dollar for the value of a gold dollar, were expressly made redeemable in standard gold coin; and,

Whereas, There are other forms of currency in daily use among the people, passing from hand to hand, each dollar for the value of a gold dollar, equally based upon the good faith and credit of the United States, and equally entitled to be measured, tested and proved by the same standard of value; and,

Whereas, It was declared in terms in the said act that all forms of money issued or coined by the United States should be maintained at a parity of value with this standard; therefore be it

Resolved, That we, the members of the American Bankers' Association, in convention assembled, believe it to be wise that all forms of currency should be made equally redeemable in standard gold coin, and that only by such provision can parity at all times and under all circumstances be effectively maintained, and that failure to so provide for the redemption of all forms of currency alike in the standard unit of value will continue to be construed as a discrimination against such forms as are not made redeemable, and that we further believe that the only thing that can be done to make our financial system sound and safe and solid is to get down to one legal tender, and that is gold, and then to bank upon a currency circulation enlarged beyond the present authorized issues of the National banks, and based upon the credit of the legitimate trade of the country, and rigidly safeguarded under the law; therefore, be it further

Resolved, That we urgently recommend that proper laws be promptly enacted to render the gold standard inviolate, and, to that end, that the Secretary of the Treasury be directed to maintain at all times on a parity with gold the legal tender silver dollars remaining outstanding, and that he be directed to exchange gold for legal tender silver dollars when presented to the Treasury.

That the coinage of one million and a half of silver dollars per month, now required by law, should cease.

That the Secretary of the Treasury should be authorized to coin the silver bullion in the Treasury into such denominations of subsidiary silver coin as he may deem necessary to meet public requirements, and, as public necessities may demand, to recoin silver dollars into subsidiary coin.

Mr. Swinney (continuing the Report of the Executive Council): In view of the fact that there is already a currency report before the Convention, the Council thinks it would be wise to lay this matter on the table.

It is the custom to appropriate five thousand dollars to be used by the city in which the annual convention is held, for the purpose of aiding in defraying the expenses. This matter took its usual course, but the bankers of San Francisco declined to accept same, wishing to pay, themselves, all the expenses for this meeting.

It is useless for the Council to make any remarks on this subject. Their extreme generosity and lavish hospitality speak for themselves. (Applause.)

The report of the Committee appointed last spring in regard to revising the dues of the Association will also come in here.

The Secretary read the report referred to, as follows:

RECOMMENDATION AS TO REVISING DUES.

SAN FRANCISCO, October 21, 1903.

To the Executive Council, American Bankers' Association:

At a meeting of the Executive Council, American Bankers' Association, held in New York City in the spring of 1903, the undersigned were appointed a committee to consider and report to the Council regarding the increase in dues of members of the Association.

Your committee have given much time and consideration to the subject. The conditions existing show a disbursement account of the Association largely in excess of the income. Last year the income was slightly over seventy thousand dollars, and the expense account was something over ninety thousand dollars. With this condition it is necessary, unless we curtail in the work of the Protective Committee, to increase the dues. The Protective Committee shows such practical results and is such a striking feature of the Association that the logical duty of the committee is to frame a plan for the equitable increase of income. This we have done on the plan outlined below. The present schedule of annual dues is as follows:

ANNUAL DUES.

Private Bankers and Brokers and Banking Firms.....	\$5.00
Banks and Trust Companies with less than \$50,000 capital and surplus.....	5.00
Banks and Trust Companies with \$50,000 and less than \$100,000 capital and surplus.....	10.00
Banks and Trust Companies with \$100,000 and less than \$500,000 capital and surplus.....	15.00
Banks and Trust Companies with \$500,000 and less than \$1,000,000 capital and surplus.....	20.00
Banks and Trust Companies with \$1,000,000 and over capital and surplus.....	30.00

Your committee recommends a revision of the different classes of members and establishment of dues for each class according to the following schedules:

CAPITAL AND SURPLUS.

	Dues per year.
Below \$100,000.....	\$10.00
\$100,000 to \$250,000.....	20.00
250,000 to 500,000.....	25.00
500,000 to 750,000.....	30.00
750,000 to 1,000,000.....	40.00
1,000,000 to 2,000,000.....	50.00
2,000,000 and over.....	75.00

Results of these changes will increase the income of the Association on the basis of the present membership about \$35,000.

Respectfully submitted,

Chairman: A. H. WIGGIN,
CALDWELL HARDY,
F. G. BIGELOW,
J. L. HAMILTON,
J. R. MCALLISTER,
W. L. MOYER,
W. T. FENTON.

The foregoing report was accepted at the meeting of the Executive Council held October 20, 1903, at San Francisco, and it was voted by the Executive Council that the resolution be recommended to the Association for adoption.

Therefore: Under instruction from the Executive Council of the American Bankers' Association I beg to offer the following resolution:

Resolved, That the following schedule of membership charges to take effect beginning September 1, 1904, be adopted:

CAPITAL AND SURPLUS.

	Dues per year.
Below \$100,000.....	\$10.00
\$100,000 to \$250,000.....	20.00
250,000 to 500,000.....	25.00
500,000 to 750,000.....	30.00
750,000 to 1,000,000.....	40.00
1,000,000 to 2,000,000.....	50.00
2,000,000 and over.....	75.00

The President: If there is no objection the report will be received and filed as is customary.

Mr. Lewis E. Pierson (of the New York National Exchange Bank): Mr. Chairman, I move that the resolution on Bank Money Orders come up for discussion after the address of Mr. Hillyer this morning.

The motion was seconded by Mr. R. L. Crampton of the National Bank of the Republic of Chicago.

Carried.

The President: The next matter presented by the Chairman's report is the resolution relating to the Fidelity business, and if there is no objection that matter will be postponed, in accordance with the suggestion of the Chairman, until we have the report of the Committee on Fidelity Insurance.

REVISED DUES ADOPTED.

The next matter is the action of the Currency Committee, whose report has been presented by the Council with the recommendation that it be adopted. Mr. Wiggin has offered a resolution that the report, indorsed by the Council, as to the readjustment of the dues of the Association be adopted. Does that meet with a second?

(The motion was seconded.)

The President: It was moved and seconded that the report of the Committee on Dues, readjusting them, as indorsed by the Executive Council, be adopted.

The resolution was unanimously adopted.

The President: The Secretary will now read the report of the Currency Committee, which is referred to in the report of the Chairman of the Council.

The Secretary read the report of the Currency Committee, as follows:

Report of the Currency Committee.

To the American Bankers' Association:

As instructed by the Special Currency Committee appointed at New Orleans to investigate and report on the present currency system of the United States, the chairman of this committee not being in attendance at this convention, I beg leave to submit the following report:

There is at present more real money in the United States than at any previous period in our history. Taking the country altogether there is no scarcity of money, including United States and National bank notes, to meet any legitimate demands of business. Compared with September 1st a year ago the National banking circulation has increased \$52,827,551.

The general stock of money in the United States September 1st, 1903, was as follows:

\$1,267,733,949 gold coin, including bullion in Treasury.
555,853,494 standard silver dollars.
101,867,228 Subsidiary silver.
17,970,000 Treasury notes of 1890.
346,681,016 United States notes.
418,587,975 National Bank notes. Total, \$2,708,693,662.

At the same date there was in circulation

\$620,375,159 Gold coin.
394,155,919 Gold certificates.
72,959,012 Standard silver dollars.
455,928,384 Silver certificates.
92,870,952 Subsidiary silver.
17,850,254 Treasury notes of 1890.
335,377,568 United States notes.
399,384,930 National Bank notes. Total, \$2,388,902,178, making a circulation per capita of \$29.60, compared with \$28.55 September 1st, 1902.

In the opinion of your committee the most serious need is the reform of the Sub-Treasury system in such wise that the money withdrawn from the banks for customs duties, as well as internal revenues, shall be deposited in the banks and thus be made available for use in the community from which it has been withdrawn. Such a reform could be inaugurated by giving to the Secretary of the Treasury discretionary authority to permit deposits to the extent of 50 per cent. of the capital and surplus of National banks of customs receipts as well as internal revenue receipts guaranteed by securities acceptable to

the Secretary of the Treasury. Such an arrangement would render impossible the embarrassments which have frequently occurred as the result of Treasury accumulations.

Regarding the question of circulation, the first and most important requirement is the immediate repeal of the present limitations of \$3,000,000 per month upon the withdrawal of circulation, so that the expansion and contraction will be automatic and governed by the surrounding situations. Under the present restrictions many banks are unwilling to issue currency for temporary and legitimate needs, which they would issue if they felt certain that their currency could be retired when no longer needed.

Emergency circulation could, within careful limitations, be safely permitted upon the actual deposit with the Treasury Department of securities acceptable to the Secretary of the Treasury. And upon such deposits circulation could be issued promptly to meet actual emergencies, which would not be possible if time were taken for the examination of general assets by the Secretary of the Treasury and Comptroller of the Currency. A tax of 6 per cent. per annum should be imposed upon such emergency circulation to ensure and hasten its return to the issuing bank; this tax to be set aside as a safety fund to secure the United States Treasury for the redemption of notes so issued. This emergency circulation should be issued without any distinguishing mark from other National bank circulation except to substitute the words "secured by bonds approved by the Secretary of the Treasury," instead of the words "Bonds of the United States" for being amply secured, there should be no discrimination against it beyond the 6 per cent. tax.

To further liberalize the circulation, your committee recommends that the United States tax on circulation should be uniform on the issue of currency based on all classes of United States Government bonds.

In the judgment of your committee these modifications of law can be authorized without damage or discredit to the National bank circulation, but your committee cannot recommend any step that will tend toward a return to the miscellaneous circulation which prevailed in the country before the war, or any step which will disregard the history of finance among the commercial nations of the world, nor can it recommend that any note should be issued without the certainty of its redemption in standard coin of the United States.

The above report is signed by

CHARLES S. FAIRCHILD,
H. C. FAHNESTOCK,
MYRON T. HERRICK,
HOMER S. KING,
J. J. MITCHELL.

In the foregoing report I am impelled to dissent from the recommendation for the repeal of the law restricting the redemption of National bank circulation to \$3,000,000 a month, for the reason chiefly that it seems to me to be inconsistent to in the same report recommend a method for an increased circulation and to insert a provision urging a means by which the circulation may be at any time diminished.

With the exception of this dissent the foregoing report has my hearty concurrence.

Geo. Q. WHITNEY.
Respectfully submitted,
JAS. R. BRANCH,
Secretary.

The President: In order that the members may familiarize themselves with the report of the Currency Committee, and be prepared to vote on it intelligently, and give them time for such consideration as they desire, action on it will be postponed, and it will come up under the head of unfinished business Friday morning.

Mr. Moulton (of the Corn Exchange National Bank of Chicago): Mr. Chairman, I would like to inquire if that report provides, among other recitals, that the emergency

circulation shall draw interest at the rate of 6 per cent. It bears certain recitals. I do not think it bears that, which was the most important, to my mind.

The President: We will be glad to furnish you a copy of the report, and take that up when we come to discuss it.

The next matter is the report of the Protective Committee. I am sorry to say that the Express Company, owing to the great distance these had to be sent, probably, has failed to deliver copies of this report.

Report of the Protective Committee.

The Protective Committee begs to submit the following report of the work committed to its care by the Executive Council for the year 1902-1903:

Balance as per Treasurer's report, September 1, 1902.....	\$1,764.35	
Appropriated by the Executive Council....	36,000.00	
Paid account expenses 1901-1902.....	\$2,009.96	\$37,764.35
Paid account expenses 1902-1903.....	36,189.69	
Total expenditures.....	\$38,199.65	\$38,199.65
Total receipts.....	37,764.35	

Balance at debit September 1, 1903..... \$435.30

Keeping pace with the membership of the Association, which has increased in the last five years from 3,385 in the fall of 1898, to more than 6,900 in the fall of 1903, the volume of reports, letters, etc., presented for the consideration of your Protective Committee has grown from 2,000 in 1898 to more than 4,900, which have been considered by them from September 1, 1902, to September 1, 1903. From these have been compiled one hundred and twenty-one circulars of information, which have been forwarded in pamphlet form to members throughout the country, accompanied by forty-eight photographs and descriptions of active criminals selected by the detective agents of the Association for purposes of warning and identification.

Special circulars have been issued in two instances, as follows:

In January, 1903, on account of the frequent attacks by "yegg" burglars on banks in towns and villages with little or no police protection, and as it had come to the notice of the Protective Committee that several members whose signs had been lost or were not readily seen had suffered attack in consequence, a circular was sent to members throughout the country with special information and precautionary advice, urging them to keep their membership signs prominently displayed at the paying teller's window. Several requests to replace lost signs with new ones followed the issue of this circular, and a notable instance of the need of so doing occurred when a band of "yeggmen" who had been active in safe robbery in several States made their first attack, so far as known, upon a member of the Association—the First National Bank of Irwin, Pennsylvania. For some time prior to the attack this bank had been without its membership sign, which had been broken and never replaced. On the night of December 8 its vault was blown open and robbed of \$18.30 in loose cash, together with stamps and bonds placed with the bank for safe keeping. The detective agents of the Association traced out the perpetrators, some of whom were directly sentenced for this work, while the others have been sentenced for offenses elsewhere committed. In another instance, at Princeton, Ill., burglars who had entered the Auten & Auten Bank with heavy tools stolen for the work, accidentally discovered its sign of membership, and, placing it upon the paying teller's counter, abandoned their purpose to attack the safe. Subsequently the same men, three in number, successfully attacked the safe of the First National Bank, Abingdon, Ill., a member of the Association, whose sign, as they declare, they did not see. They secured \$5,049 from the safe, but were arrested shortly afterward, and the agents of the Association secured the return of a considerable portion of the stolen money. Two of the men have been sentenced, while the third is held for a later term of court.

In July, 1903, a special circular was sent through the

country offering rewards aggregating \$800, of which the Governor of Missouri offered \$300, William A. and Robert A. Pinkerton, conjointly, \$250, and the American Bankers' Association \$250, for the detention and surrender of William Rudolph, who escaped on July 6 from the St. Louis Prison, where he had been confined with George Collins, charged with murder. On the night of December 26, William Rudolph and George Collins forced the safe of the Bank of Union, Missouri, and secured about \$12,000 in cash, which they secreted at the house of Frank Rudolph, a relative of William, in the outskirts of the adjacent town of Stanton. An operative traced the men to the Rudolph house, secured warrants for their arrest and a search of the premises, and approached the house for this purpose on January 24, in company with three local officers. Apprised of their approach, Rudolph and Collins made a sudden attack upon the officers when they had reached the door. The detective was shot down, and the local men put to flight. Rudolph and Collins escaped temporarily, and it was not until March 1 that their capture was effected at Hartford, Conn., by the detective agents of the Association and police. More than \$9,000 of the stolen money was recovered, part of it being found at the Rudolph house, and \$8,685 being secured from the prisoners at Hartford. Soon after their arrest they were transferred to Missouri, and held in the St. Louis Prison for safe keeping. Just prior to the date set for their trial Rudolph was enabled to escape through a skylight while a disturbance among the other prisoners diverted the attention of the prison guard. The trial of Collins was duly held, and on July 21, at Union, Mo., he was convicted of murder in the first degree and sentenced to be hung. His execution, originally set for August, has been delayed by an appeal of the case.

In the matter of the attack upon the First National Bank, Cobleskill, N. Y., which resulted in the death of the town watchman November 26, 1900, and the subsequent capture of the five living marauders, the committee has now to announce, in addition to the sentence of Edward Jackson last year reported, the sentence of John Murphy to life imprisonment, the electrocution of James P. Sullivan March 24, 1903, and the electrocution of William O'Connor July 7, 1903. William Harris, witness for the State, who has been confined since March 17, 1901, recently escaped from the new Schoharie County Jail.

The important Winnemucca matter, so fully treated heretofore, involving as it did the operations of an outlaw band of train robbers, and enlisting the co-operation of the railroad officials, has resulted in the practical annihilation of the band. Two of its members, now at large, who were engaged in the attack on the First National Bank of Winnemucca on September 19, 1900, are reported exiles who dare not return to the United States, while the third man at liberty, who is also in hiding, is an escaped prisoner, having broken from the Knoxville Penitentiary on June 27, after he had been sentenced for twenty years for passing bank notes stolen in incomplete form in a train robbery, and later completed by forgery.

Similar to the Winnemucca robbery was the robbery of the Stockgrowers' Bank, Bridger, Mont., on December 2, 1902, at noon-day, when Jesse Linsley, Patrick Murray and William Countryman rode directly to the bank from the outlying country and, covering with their revolvers the cashier and one townsman who was in the bank, took possession of \$2,338 exposed money and fled. In this instance, however, the men were trailed into the mountains and arrested by the Carbon County sheriff. Their conviction followed, and Jesse Linsley and Patrick Murray were sentenced to eight years each and William Countryman to one year in the Penitentiary at Deer Lodge.

Including the expensive cases mentioned above, sixteen members have been robbed by burglars and outlaw raiders and eleven have been unsuccessfully attacked from September 15, 1902, to September 15, 1903, with a total loss of \$49,420.23, comparing favorably with the

reported losses of \$137,311.28, suffered by non-members, fifty-seven of whom have been robbed and forty-one attacked without success.

The attacks upon members have been exhaustively investigated. Thirty-three robbers implicated therein have been arrested and twenty-six have been sentenced to varying terms of imprisonment. In addition, five "yeggmen" arrested during previous seasons were this year sentenced. In some instances bands known to be guilty of attacking members have been arrested for other offenses, convicted and sentenced, with the co-operation of the detective agents of the Association, because their conviction in the matter of direct interest would have been difficult if not impossible. One band of four men convicted during the year operated last year at Holland Patent, N. Y., where it made an unsuccessful attack upon the safe of the First National Bank.

The only operation by sneak thieves upon the Association occurred when Philip Lamble stole \$255 from the National German-American Bank, St. Paul, Minn., on August 19, aided by a confederate at the telephone, whose purpose was to call the paying teller from his cage, and followed this on August 22 by stealing \$835 from the First National Bank, Kansas City, Mo., in the same manner. The agents of the Association had secured clues to the identity of the thieves when, on September 1, while operating the same method at Milwaukee, Philip Lamble was discovered at the Germania National Bank, pursued and captured. A package of bills amounting to \$500, which he attempted to steal, was recovered.

Following are a few brief and suggestive items bearing on the work for the past year:

1. Robbers who were arrested for attacking a member did so, they declare, in ignorance of its membership. Their statement is credible because they had previously abandoned their purpose to attack a member, from which they withdrew upon the accidental discovery of its membership sign.

2. A band of "yeggmen" who had, heretofore, carefully avoided members of the Association, attacked one last winter. It has been since discovered that the bank had broken its membership sign and been without one for several months.

3. Fourteen members of the Association were robbed by burglars during the season, with a resultant loss of \$43,686.18, while fifty-seven successful attacks upon banks not members of the Association resulted in a reported loss of \$137,311.28.

4. From May 1, 1895, to September 15, 1903, members of the Association have lost \$140,021.73 by the operations of burglars and thieves.

5. From May 1, 1895, to September 15, 1903, banks not members of the Association have lost, as reported, \$930,749.75 in the same way.

6. The only forgery organization that operated upon a member during the past season was broken up at the start by the arrest and conviction of its members. There is no similar organization in the field, so far as known.

The culmination of an expensive forgery case was reached this season in the disruption of a new organization led by John S. Brush, a forger of considerable skill, derived years ago in the association of a band of clever penmen, who have been driven out of the business since the formation of the protective feature of the Association. The arrest of Brush is the result of two years' work to fix the responsibility for occasional clever forgeries, dating from August, 1900, reproducing the signatures and indorsements of bank depositors in a manner to throw suspicion on employes having access thereto. In August, 1900, a member was defrauded in New York City, and attempts were made on two members in Newark, N. J., where the presenter was arrested and later sent to the Penitentiary. In December, 1901, two more banks, members, were defrauded in New York City, but, although a careful investigation directed suspicion toward Brush, no evidence could be had until the fall of

1902, when he resumed operations on a broader scale, with George Ross as middleman and Alfred Hearst and Alexander Stone as presenters of his forged checks. So careful was Brush, however, that several banks were operated upon before the evidence would warrant his arrest, which was accomplished December 29, followed by the apprehension of his helpers. George Ross gave evidence for the State, and the other men pleaded guilty. In consideration of his advanced age, sixty-two years, and the long terms previously served by him, Brush was only sentenced to five years in States Prison. Alfred Hearst received a similar sentence, and Alexander Stone was sent to the Elmira Reformatory.

Reports have been received involving the operations on members of the Association from September 15, 1902, to September 15, 1903, of one hundred and forty-five forgers and swindlers, sixty-five of whom have been arrested. Twenty-one of these have been sentenced, while for operations previous to this season there have been seven forgers and swindlers convicted and sentenced. In addition, one forger, who previously served a term for defrauding a member of the Association, was arrested while preparing to go on the road with bogus letterheads and drafts. The detective agents of the Association were prepared to connect him with a series of swindles recently committed, and he pleaded guilty and was sentenced to the Penitentiary for a term of four years.

Many of the successful bank swindles contain an element of the confidence game, and could be easily prevented by bank officers. In this class is the work of an annoying swindler who is now at large. As a stranger, newly arrived in town, he will express his intention of opening an office, and will make some apparent preparation to commence business. Without other formality than the introduction of his prospective landlord, an initial cash deposit and a plausible story along the above lines, he is permitted to deposit drafts for considerable sums, which are found to be fraudulent after he has drawn the greater portion of his supposed balance and left town.

Following is the detailed financial statement of the Protective Committee from September 1, 1902, to September 1, 1903:

RECEIPTS.

Balance, as per Treasurer's report, September 1, 1902.	\$1,764.35
Appropriated by the Executive Council.....	36,000.00
	<u>\$37,764.35</u>

EXPENDITURES.

Paid Pinkerton expense incurred prior to September 1, 1902.....	\$1,709.96
Other expense incurred prior to September 1, 1902...	300.00
Paid Pinkerton expense from September 1, 1902, to September 1, 1903.....	30,989.69
Salaries and expenses as per vouchers.....	4,902.00
Paid T. Hanrahan & Co., 1,000 aluminum signs.....	122.50
Paid Stumpf & Steurer, 1,000 protective pamphlets and expressage.....	113.50
Paid L. W. Lawrence, 300 ruled and printed forms....	7.00
Petty cash.....	55.00
	<u>\$38,199.65</u>
Balance at debit.....	\$435.30

The protective feature of the American Bankers' Association has been in operation since the Fall of 1894. It has fully justified itself in every particular save that of suppressing the "yeggmen," who, as a class of criminals, have become important in the past few years. The operations against these enemies of small banks have been difficult, tedious and expensive. The Committee has left nothing undone to break up these gangs of "yeggmen," but it is evident that much labor and expense will be involved in this feature of the protective work in the future. Bankers in small towns should be on their guard and should make preparations to act promptly and intelligently in defense when attacked, and in the effort to capture the criminals.

We append the report of the Pinkerton National Detective Agency, which is distributed among the mem-

bers in printed form, and will follow this report in the proceedings of the convention.

Respectfully submitted,

PROTECTIVE COMMITTEE,
AMERICAN BANKERS' ASSOCIATION.

The next report is the report on Fidelity Insurance by Mr. John L. Hamilton.

Report of Committee on Fidelity Insurance of the American Bankers' Association.
To the American Bankers' Association:

The Committee on Fidelity Insurance begs to report that, in pursuance of a recommendation made by the Executive Council at the Denver meeting in August, 1898, and adopted by the Association, "That a Committee of this Association be appointed to inquire into the rates of surety bonds and to recommend a standard form of policy, and to consider any plan or plans that may be submitted," we have endeavored to carry out the wishes of the Council and the Association to the best of our ability.

The Committee in this work has endeavored to be absolutely fair with all parties interested, and has endeavored to consider without partiality the equitable rights of the employees, the employers and the Fidelity companies, and in its reports has endeavored to point out the true conditions as they have been found to exist from the carefully gathered statistics reported to us confidentially by the banks of the country. We are satisfied the information we have is the most reliable of any to be had in the United States.

RATES.

The Committee wishes to emphasize the fact that since its appointment in 1898, and the careful study of its reports by many of the members, the rates for writing bonds have become more uniform and have been reduced fully twenty-five per cent., resulting in the annual saving to the members of the Association alone of \$132,368.50, a sum of money almost DOUBLE THE ANNUAL DUES of this Association, to say nothing of the benefits the efforts of this committee have been to non-members, which would easily equal that of the saving in premium to the members.

FORM OF POLICY.

We have had prepared by the best legal talent the American Bankers' Association copyrighted form of bond. This bond, we believe, is the best form of bond written to-day. It is equitable to the insurer and the insured, and gives protection to the bank. We are convinced of its merits, as there has never been, to the knowledge of this committee, a contested loss on this form of bond, and there have been cases where, on the same risk, other forms have been contested and the Association form paid.

Another proof that our form of bond is superior is the fact that all Fidelity companies, with three exceptions, exact a higher rate than on their own form for obvious reasons. We need to advance no stronger argument why our members should use the Association's form.

Another proof of its merits is that forty per cent. of the members of the Association have adopted it after a careful examination of its provisions by their attorneys. This is the only bond written that has to stand upon its own merits, as Fidelity companies never offer to write it unless the banks insist upon having it.

An advantage to members who use the Association form of bond is that it is being universally adopted and thereby secures uniformity to banks in case of litigation.

PROTECTION DEMANDED.

The Comptroller of Currency and the Banking Departments of many of the States insist, and the laws of some of the States require, that banks bond their employees, not only for the protection of their stockholders, but for the protection of their customers as well.

The apparent desire of corporate Fidelity Insurance or bonding companies to discriminate against the American Bankers' Association copyrighted form of bond has led this Committee to recommend that the American Bankers' Association establish what may be known as

the American Bankers' Guarantee Fund, under the management of a Board of Trustees to be appointed by the Executive Council, to guarantee the fidelity of the employees of those banks only that are members of the Association.

From our reports we have learned that our members are carrying \$133,705,570.00 in bonds, and are paying annual premiums of \$388,779.33 against a loss averaging for the past ten years not to exceed \$45,000.00 per annum. We are convinced that the bankers of this country are paying an excessive rate for this insurance, and our convictions are supported by statistics of English companies covering periods of thirty-seven and thirty-eight years respectively. We are convinced that it is not good policy for the American Bankers' Association to single out and authorize the Secretary, or any one the Association might see fit to appoint, to solicit business for some particular bonding company, as is now being done by many State Associations, for a commission which is paid into the treasury of the organization. This method carries a moral guarantee at best, of any company that may be selected, and places the Association in a position which in time might bring serious embarrassment.

Your committee, having carefully studied conditions here and abroad, and having gathered statistics as complete as possible, reported to the Executive Council and the New Orleans convention that unless it was the purpose of the Association to put the information to some practical use, the committee be discharged. It was decided by the Executive Council that this Committee continue its labors for another year, and that its report be published in pamphlet form and sent to the members of the Association, calling the attention of the members especially to this report and asking for their approval or disapproval. Not having a complete list of our members, we sent our report to all bankers of the United States, and in answer to our inquiries received replies from forty-two hundred and fourteen (4,214) members, or about two-thirds of this Association, reporting favorably to the Association taking up the work; three hundred and ninety-three (393) reporting unfavorably, while two thousand and ninety-six (2,096) of the members, or less than one-third—mostly private bankers and bond brokers—were indifferent and did not answer our inquiries. From non-members of the Association we received twenty-seven hundred and sixty-nine (2,769) replies, and of this number, twenty-seven hundred and fifteen (2,715) favored the scheme, while fifty-four (54) opposed. A majority of those banks not members favoring the proposition wrote that if suitable plans were adopted by the Association they would become members thereof. Ninety-one and one-half (91½) per cent. of those answering favored the proposition, and ninety-eight and one-tenth (98.1) per cent. of the non-members answering favored the proposition. Sixty-nine hundred and twenty-nine (6,929) members and non-members are favorable to the proposition, while four hundred and forty-seven (447) have expressed themselves as unfavorable. Ninety-three and nine-tenths (93.9) per cent. of the answers received are favorable to the Association taking up this line of work.

RECOMMENDATION.

The Executive Council at New Orleans decided that if a majority of the banks, members of the Association, were favorable to this proposition the Committee should consider and recommend the best plan for the Association to adopt in the bonding of its employees, and prepare rules and regulations governing the same. In compliance with said directions we have prepared and filed with the Secretary of this Association an amendment to Article three (3) of the Constitution by the addition of Section eleven (11), creating the "American Bankers' Guaranty Fund," controlled by a Board of five Trustees to be appointed by the Executive Council. Having considered the different forms of corporations, and owing to the conflicting laws of the different States, under advice of

the best legal talent we have decided that there is only one safe and practical way to bond employees, and that is by the creation of a Guaranty Fund in the hands of Trustees. In this manner members will be furnished indemnity, amply secured by a trust fund, giving better protection than they now have and ultimately, we believe, at a rate not to exceed one-third the average rates now paid.

Your Committee is convinced of the practicability of this plan. It is not an untried experiment, for it has been in practical operation in England for thirty-eight years under the Bankers' Guaranty & Trust Fund, and for thirty-seven years under the Colonial Trust Fund. The number of employees bonded in the Bankers' Guaranty & Trust Fund is almost identical with that of the membership of this Association. The average losses in this country vary only seven cents on the \$1,000 from that in foreign countries, as shown by statistics gathered by this Committee.

In addition to these companies we have the evidence of the Union Bank of London, which established a fund in 1890 the London & City Midland, which established a fund in 1889; the Bank of Scotland's Guarantee Fund, established in 1869; Glynn's Guarantee Fund, established in 1865, and the Bank of England Guarantee Fund, established in 1841. All these funds have and are being successfully managed and are highly recommended by the leading banks of England, and in our own country we have the Adams Express Company and the American Express Company, who bond their own employees.

Your Committee has prepared rules and regulations for the government of such a fund, similar to those that are successfully used by the English trustees, changing them sufficiently to meet the conditions here. We recommend for the protection of the stockholders and customers of the banks, members of this Association, that they be adopted.

The members of your Committee wish in this, our last report, to thank the officers and members for the many courtesies shown us. We also wish to thank the non-members who have so promptly and cheerfully responded to our inquiries. And we hope that those who have criticised us may eventually be convinced that we have endeavored to do what we considered for the best interests of the American Bankers' Association.

Respectfully submitted,

JOHN L. HAMILTON,
CALDWELL HARDY,
F. H. FRIES,
W. P. MANLEY,
A. C. ANDERSON,

Committee on Fidelity Insurance.

The four previous reports of the Fidelity Insurance Committee may be found in the proceedings for the year 1899 on page 57, the year 1900 on page 67, for the year 1901 on page 72, and for the year 1902 on page 99.

ACTION ON PROPOSITION FOR ASSOCIATION TO BOND EMPLOYEES.

The President: The report of the committee is before you, gentlemen, and the recommendation of the Executive Council in regard to the constitutional amendments will now come up for action.

Mr. Bartlett: I move that the report of the committee be received, and that the committee be discharged with the thanks of this Convention.

The motion was seconded.

Mr. George C. Ramsey, of Helena, Mont.: Mr. President and Gentlemen of the Convention.—I appreciate that it must seem that a man has a good deal of self-assurance to rise here and speak against a carefully thought-out report, such as is the report of the committee we have just heard; but feeling that it is worth the while of the bankers of this country to consider a little before going into the insurance business, or anything that savors of it, I want to submit a suggestion that we should consider a little carefully before adopting the recommenda-

tion of the committee. The report is carefully written and thoroughly covers the ground, but several features contained therein, it seems to me, have not been brought to the attention of the members of this Association properly.

I feel that bonding our own employes is something that savors of the insurance business, and is quite diametrically opposed to banking. Insurance is a hazard. Bankers are not supposed to take anything more than minimum hazards, and it occurs to me it would be better to leave this business to the surety companies that are organized throughout the country than to adopt it ourselves.

The purpose of this committee has been carried out, I believe, and has been completed in bringing to the attention of the bankers the value of a form which is adopted, and which is a good one, and which most all surety companies write. But there has been at work a more powerful influence than the committee in reducing the cost of fidelity insurance in this country, and that is the competition between the companies. At present it is so keen that the rates are down to a reasonable figure, and down to a point where the surety companies of this country are paying out in expenses and losses 91 per cent. of every dollar they take in for their fidelity insurance to banks. It leaves just a small margin for profit, and I do not believe that the Bankers' Association could do much better than that, except, perhaps, in the reduction of expenses. I understand the plan is to reduce expenses by not making entry in the different States of this country. Most of the States require an annual license fee before an insurance company can do business, and I understand it is not proposed by the Bankers' Association to make an entry, but to run the business from some central point like Chicago or New York. The danger of that is this, and the reason why State governments require insurance companies to pay license fees and take out charters, and so forth, is in order that they may have attorneys in the different States upon whom service may be made; so that if you get into a dispute with an insurance company and they do not want to pay, you will not have to go to the home office, but you can bring suit against the company in your own State, and the insurance company must come to your State to fight the claim.

It seems to me that this is an important point, because, as human nature exists everywhere in the same old form, there are bound to be disputes between the Executive Committee of this fidelity department and the various individuals whom it insures. Now, if you have a dispute, upon whom are you going to serve process against the American Bankers' Association? You would have to serve it individually on the various members, or you would have to go to the home office. If you have had the experience of instituting lawsuits at distant points you know what that means; you know what it means to go to some distant city. As it is at present, every one of you with a claim against these bonding companies throughout the United States can serve the process against the particular attorney in the particular State, and the company has to bring its attorney. This is an important point, and one worthy of your consideration, it seems to me.

I feel that many points could be brought out in a brief way. Yet, the time of this Association is valuable, and I do not believe I have the right to take up any more of your attention. I think the Committee has performed a valuable service to the banks. The surety companies are in fierce competition for the business, and as long as they continue so we should be contented. If they form a combination, then will be time for the American Bankers' Association to do something in retaliation; but it is not necessary at this time, and, it seems to me, an inappropriate and unharmonious idea for the bankers of this country to take part in the insurance business, which involves such a hazard.

Mr. Bartlett: Mr. President, to avoid misapprehension, I wish to say that I agree with every word that the gentleman who has just spoken has said. My motion

was not that the report be adopted, but that it be received, and that the Committee be discharged with the thanks of the Convention. At the appropriate time—and I assume that this is not the appropriate time, there being no motion upon which we are now called to vote—I wish to have something to say along the lines of the remarks so ably made by the gentleman who has just spoken, in proposing any departure from the high and exalted plane occupied by this Association, to the undignified scramble now going on between the surety companies to secure a little more of this bonding business. I apprehend that this is not the time to address remarks to the proposed amendment.

Mr. Hamilton: Mr. President—

(Cries of "Question," "Question.")

Mr. Hamilton: I should like to know if I have the right to speak—

The President: The motion to discharge the Committee would seem to preclude any further discussion. The matter comes before the Convention upon the recommendation of the Executive Council that the constitutional amendment offered should not be adopted. The resolution offered by the gentleman who has just spoken, to discharge the Committee with our thanks, would obviate the necessity of any further consideration of this matter.

Mr. Hamilton: After a motion has been put and seconded, I believe the members of the convention have a right to discuss it.

The President: Yes, I should say so, upon the merits of the question, speaking as to whether the resolution to discharge the Committee should prevail.

Mr. James R. Edmunds (of Baltimore): Mr. President, I rise to a point of order. The Committee has made a report, and it has been received by the Convention. Therefore, it is superfluous to receive a report that has already been received.

The President: The question before the Convention is the motion to discharge the Committee, with a vote of thanks, and the receiving of the report was simply an incident in connection with that.

Mr. William George (of the Old Second National Bank of Aurora): Mr. President, this Convention desires an opportunity to discuss this proposition, and many members are laboring under a misapprehension as to when that time will be. The motion of the gentleman on the other side of the house seems to contemplate a laying aside of this proposition. Several of the gentlemen assembled here, I am confident, wish an opportunity to discuss this matter. The Committee has gone to great labor, taken great pains to investigate the subject, and I personally believe that we are in favor, as an Association, of the adoption of that report, and the carrying out of the suggestions of that Committee. (Applause.)

I move that the motion of the gentleman on the other side of the house be laid upon the table.

The President: It is moved and seconded that the motion of the gentleman who spoke—will you give your name?

Mr. Bartlett: Bartlett.

The President: It is moved—

Mr. Bartlett: If I am not out of order, but if it will bring the matter up for consideration, I will withdraw my motion. It seems to me that the orderly procedure would be, first, the discharge of the Committee, the duties of the Committee having come to an end; and then to take up the recommendation of the Executive Council, to decide whether this amendment should or should not be adopted. My motion went no further than discharging the Committee and thanking it for its labors. Now, I am willing to withdraw that motion if it has embarrassed the Convention, provided my second will consent, in order that the whole question may come up before the Convention for consideration.

The President: There seems to be a desire to consider the question on its merits, and the matter was legitimately before the Convention upon the report of the Committee. If the gentleman who has just spoken

will withdraw his motion, as he has suggested, and let the matter come up upon the report of the Council, that will bring the matter, certainly, before the Convention, and it can then be discussed on its merits.

Mr. Bartlett: It was foreign to my intention that the adoption of my motion should table this whole matter, and I therefore withdraw it.

A Delegate: What Bank do you belong to?

Mr. Bartlett: I have a message from the surety companies. I represent the United States Fidelity & Guaranty Company.

Mr. C. P. Miles: This is a bankers' convention, not a surety company convention.

Mr. Bartlett: Have you more than one kind of membership in this Convention, do you admit surety companies to your Convention and deny them voice and vote here?

The President: If your Company is a member of the Association you are entitled to speak. The matter is before the Convention, whether we shall adopt the constitutional amendment.

Mr. William George (Old Second National Bank of Aurora): Mr. President, I move that the report of this Committee be adopted.

Mr. Dismukes: Mr. President, I move that the amendment as proposed be adopted by the Convention.

The President: The question before the Convention is upon the adoption of the resolution that the constitutional amendment offered by the committee be not adopted.

Mr. Edmunds: May we have it read?

(The amendment was read by the Secretary, as follows:)

CONSTITUTIONAL AMENDMENT TO PERMIT BONDING EMPLOYEES.

An amendment to the Constitution of the American Bankers' Association, presented by the Fidelity Insurance Committee.

An amendment to Article 3 of the Constitution of the American Bankers' Association by the addition of section 11.

Sec. 11. The Executive Council shall appoint a Board of five trustees for the management and administration of a fund, to be known as "American Bankers' Guaranty Fund." Said fund shall be established for the purpose of enabling such of the members of this Association and their employees as may elect to become subscribers and contributors thereto, and to avail themselves of the advantages thereof to provide, by means of a general co-operation among said members and their employees, a fund from which said members may be reimbursed for losses arising from the dishonest acts of their employees. Said Board of Trustees shall establish rules and regulations for the government and management of said fund, and the rules and regulations formulated and adopted by the Trustees shall be binding upon all the contributors to and beneficiaries of said fund. Vacancies in the Board of Trustees shall be filled by the Executive Council, and it shall be the duty of the Council to actually appoint an Auditing Committee to audit the books and accounts of said Trustees; but nothing herein contained shall be construed as creating any financial liability by the Association on account of said fund.

Mr. Edmunds: I understand that the motion is that that be not adopted.

The President: That is correct.

Mr. Edmunds: Would not the proper motion be to adopt the recommendation of the executive council?

The President: The motion is before the house to not adopt the constitutional amendment. If you wish to offer a substitute to that you can do so.

Mr. Edmunds: Do we vote on the recommendation or not?

The President: We vote directly on the question of whether we adopt the constitutional amendment or not, unless there be a different motion substituted by order of the Convention.

Mr. Edmunds: It does not seem to be straight to me on parliamentary grounds.

The President: You can make an amendment if you desire.

Mr. Edmunds: They make a recommendation and we should vote on that, it seems to me.

Mr. Bigelow (President First National Bank of Milwaukee): Mr. President, I do not think it makes the least difference. The Council has looked into this and in its view the amendment should not be adopted; but a mo-

tion to adopt the amendment brings the question as squarely before the Convention, and is a perfectly proper motion, I think. (Applause.) I think we ought not to spend time on the edge of this question, but get right at the question itself. (Applause.)

If it be proper, Mr. President, I wish to say a word, having been a member of the Council, and having considered it with the other members last night. I wish to say that I do not know of any committee that has done its work more thoroughly than this committee has done its work. Every man on that committee is thoroughly in favor of the plan—conscientiously, honestly in favor of it. Of that there can be no doubt, in my mind. They are all of opinion that it will be a great help to have it adopted in the form they have suggested. I disagree with them on that just as earnestly. I only ask now—and it seems to me appropriate—that this Association, individually and as a whole, you men, one at a time and the whole body, shall give some little time and some little thought to the consideration of a question that is as important as this. I think it would be inappropriate and paradoxical for you, applauding on the one hand the work that has been done by this committee, to instantly accept its adoption without looking into it yourselves.

Then again, this Association is not a corporation; it cannot sue or be sued. You make no financial responsibility here. You do not go so far—although in effect you almost do—as to seek to make a corporation of the American Bankers' Association, and then deliberately take up the bonding business. But the Association, throwing the name of the Association around it, gives it a moral support and makes it almost appear that the Association were doing it. You appoint trustees; you are compelled to audit their accounts, and in all real senses you father the plan, while not doing it in law. I confess that I do not like that; I do not think it is a good precedent for the Association. I am not now speaking to the merits of doing this bonding business, but I am speaking of the method of doing it within yourselves—giving it a quasi but not a real indorsement.

The motion now is that this shall become the law of the Association; that the amendment shall carry. I think that a motion to refer it to the new council, and then let it be thoroughly considered by the bankers of the country—and I do not deem that it has been thoroughly considered by the bankers of the country—would be a wiser step for us to take. This able report that advocates this in the strongest terms has been sent to the bankers throughout the country, and they have read it, and they have had confidence in the men on the Committee who have considered it, and they have simply replied in the affirmative; but, as a matter of fact, the bankers that have said they wanted to go into this have not really looked into it themselves.

I move to amend, if it is in order, by referring this question to the Executive Council, with the request that they correspond with the members of the Association.

That motion was seconded.

Mr. Sullivan (President Central National Bank of Cleveland, Ohio): Mr. President, as a member of the Council I am heartily in favor of the motion just made. This same subject was submitted a year ago, and was not recommended for adoption. The committee was then continued and instructed to go on with their investigations. The committee has certainly rendered a very valuable work in the investigation of this question, as evidenced by its report here to-day, and I do think the committee is entitled to great credit for the information which they have brought before us, covering this very important question. I am clearly of the opinion, however, that we should not adopt this report to-day. The Executive Council, at its meeting last evening, decided against it. It has given the subject great consideration, and your Executive Council was not prepared last evening to recommend this for your adoption. I believe that you should give some consideration to the conclusions of your Executive Council. The subject was discussed in its

entirety before the council, and the judgment of that council is against its adoption at this time. Hence, I think the motion of Mr. Bigelow is an eminently proper motion to make—that the entire subject be referred back to the incoming council for its further consideration and report. The move proposed is at variance with the general principles of our organization. However, if we can in our deliberations work out some scheme that will be advantageous to us without varying from the principles of the organization, which will result in great saving to the members of the Association, I am in favor of it; but at this time I am opposed to the adoption of the report of the committee, and I am very strongly in favor of referring the subject back to the incoming council. (Applause.)

Mr. C. Q. Chandler (of Kansas): Mr. President, that we should take time to amply discuss this matter none of us doubt, but that this matter should be referred back to the Executive Committee, to be carried over another year, I object. (Applause.) We have had a committee of five eminent gentlemen who have presented a report here that is so plain that it is the A B C of this matter, and there is no reason why this convention right here in San Francisco, before we leave, should not pass upon this subject. (Applause.)

We are not launching out into any new field. Mutual insurance is an old, old thing. The lumbermen of this country are saving themselves hundreds of thousands of dollars every year. The hardwaremen are doing the same thing. The millers are doing the same thing. And now, I cannot see any reason why we as bankers should not save this money for our own profits. The report of this committee shows that premiums of \$388,000 are paid into the fidelity companies which the gentleman from Baltimore represents. In turn, those noble companies have given us back \$45,000. (Applause.) The net profits to the Baltimore and other surety companies are \$343,000, net, out of our pockets. I believe we should give this matter careful consideration. If we have not time now to discuss it, let us set a date right here, before we leave, at which it will be taken up intelligently, and at which time no motion can be railroaded through by surety company representatives. (Applause.)

A delegate arose.

Mr. Chandler (continuing): I have the floor, partner. (Laughter and Applause.) The gentleman who first spoke from the stage—I would like to ask what bank he represents.

Mr. Ramsey: I represent the Union Bank & Trust Company, of Helena, Mont.

Mr. Chandler: He lays stress on the fact that we would not be able to get the proper service if we should have a loss. I anticipate that the five gentlemen to be appointed by the Executive Council will take care of that, and that they will see that we are protected. This insurance, then, will be a voluntary matter; if you are not satisfied with it you need not take it. Those that want to contribute to the Baltimore companies may do so, but fix it so that we who want to can have the benefit of this mutual insurance. (Applause.)

Mr. R. L. Crampton, of the National Bank of the Republic, Chicago: Mr. President, I think it is right to inform the members of this body that the Helena Trust Company is agent for one of the Baltimore trust companies.

Mr. Huston, of Wood & Huston Bank, Marshall, Mo.: Mr. President, the gentleman who has criticised the work of this committee at the same time, in the same breath, almost, has said the work of the committee has been most faithful and most efficient, more so than the work of any other committee, in behalf of the Association. I think I can say that the chief criticism that I have heard directed against the work of the American Bankers' Association has been that it has failed to accomplish results, that its meetings have simply been meetings of good fellows, who went around the country junketing to have a good time, and did not do anything.

Now, Mr. President, there is no question but what the work of this committee, if adopted in this form, will prove of benefit to the members of this Association. On the other hand, if the committee be discharged, simply with our thanks, then everything is undone, and more than undone; because these Baltimore companies, and New York companies, and other fidelity companies know that this having been voted down once will never be taken up again.

I want to make this suggestion: That if this is adopted, we thereby make it possible, not that it is necessary, but that it is possible, for the Executive Council at any time hereafter to put in force the machinery that we will create by the adoption of this resolution. Without that machinery, how on earth can the bankers of the country take this subject up if it is necessary to take it up? These gentlemen tell you the bankers have not had opportunity to examine it. There is no plan to examine until some such machinery is adopted by the Association. It is not necessary, even with the adoption of this amendment, for the Executive Council, themselves, to take this up, but it is possible, and it will always be possible, then, for them to take the matter up; and as long as the surety companies know that there is a provision in the constitution of the American Bankers' Association to this effect, you may be sure of equitable rates, and you may be sure that you will be heard. But if you cut that possibility out, you will find you will have the same grievances that you had years ago. The difference is the difference between isolation and co-operation. If a bank needs anything, it needs co-operation, and the defeat of this measure to-day, if it indicated anything, would indicate that we do not believe in co-operation—that it is true we meet simply to have a good time, and that we stand apart. I think it is due to this committee and this Association that we should at least adopt this amendment, whether we are in favor of it or not. (Applause.)

Mr. Thomas H. Wilson, Vice-President of the First National Bank of Cleveland, Ohio: Mr. President, it does not follow that because we have an excellent committee, who have given us excellent results thus far, that the committee are infallible in their recommendations submitted here.

Now, it seems to me that \$45,000 as the figures of the defalcations are not truly indicative of the fact about that. It is no disrespect to this able committee to uphold the still larger committee, the Executive Council, who are equally level headed. (Applause.)

Mr. Fred. Heinz: Mr. President, I would like to know by what vote this passed the Executive Council, whether unanimously or otherwise, and whether there were any members of insurance companies on that council.

The President: I would state that the vote was twelve in favor of the report as presented, and eight against it.

Mr. Youmans: I move that the Convention take a recess until half past two.

(The motion was duly seconded.)

(The question was put and the motion was lost.)

The President: The motion to adjourn is lost, and the motion before the house is Mr. Bigelow's motion.

A division was called for.

MOTION TO REFER TO COUNCIL LOST.

The President: Those who are in favor of Mr. Bigelow's motion will rise to be counted, after which those who are opposed will rise. The motion is to refer the matter back to the Council.

The question was taken and there were:

Yeas, 120; nays, 138.

A Delegate: I call for tellers.

(The motion was seconded.)

(The question was taken and the motion was lost.)

Mr. Finley, of the Fifth National Bank of Pittsburgh: Mr. President, may I speak on the original motion?

The President: The question has now been ordered. I should say it was not in order to speak on this question. We have voted down Mr. Bigelow's resolution to refer it

back to the Council. The question now recurs upon the original motion.

Mr. Finley: Mr. President, I certainly think we have a right to discuss the original motion now, not having had an opportunity to do so before. We have been discussing the substitute, and now the original motion is certainly debatable.

(Cries of "Question, Question.")

The President: The gentleman may proceed, but he will please make his remarks as brief as possible.

Mr. Finley: Mr. President, I will say but a few words on this question. I understand from the statement made by the Chairman of the Executive Council that last night when this question was considered twelve were opposed to it and eight members were in favor of it. If that be true, gentlemen, these twelve gentlemen are certainly entitled to your consideration as to their judgment as well as the eight. Those eight gentlemen were members of the committee and so were the twelve. I do not know how many members there were on the Council. We all have the greatest confidence in the members of the committee. They are men whom I have known for years; but we must have equal confidence in the other members of the Executive Council, those who are opposed to this. They have considered this carefully in that small body, and more carefully than we have done it this morning. Now, I do not care particularly which way this goes, but I do think this, that you want to carefully consider the question that the American Bankers' Association should carefully consider whether it wants to go into the insurance business. If they want to go into the fidelity insurance business, why not go into the fire insurance for the banks? and if they should go into fire insurance, why not go into life insurance for the banks? (Applause.)

(Cries of "Question," "Question.")

I, for one, am opposed to this, although, as I said before, I am not very particular about it one way or the other. I hope that, as you have put it in the position you now have, you will vote this down.

The President: The question is on the original motion.

Mr. Chandler: I only have one word to say, Mr. President. We have the greatest respect for the Executive Council, we have the greatest respect for their opinions; but while that is true those who are here in this Convention are also thinkers and use their own gray matter. (Applause.)

Mr. H. R. Lyon, First National Bank of Mandan, N. D.: Mr. President, I will speak for just a minute. Here is a discussion on a recommendation of the Board of Directors. It seems to me that many of you are young fellows, and are just jumping right into this without very much consideration. I want to reply to our friend from Kansas City in regard to these mutual companies. I am a miller. The Millers' Mutual Company has nothing to do with our organization of millers. They are a corporation, they are separate and distinct in every way.

I am also a lumberman, and the lumbermen's organization is separate and distinct from such companies. Now, I think we should go slow on this. There is no reason why we should decide this now before lunch. Let us wait until after dinner. I believe we will not act on this matter as a lot of boys. We are all supposed to be careful, conservative men. I would hate to have a lot of discounts passed on in this way. (Laughter.) I simply ask that we appoint some time this afternoon to discuss this. I am willing the matter be passed, but do not let us precipitate action immediately on this thing, just because we have a clever committee that has done a magnificent work in preparing statistics for us. We must remember that we have also an Executive Council, who are able men, and we ought to take note of the fact that a majority of them are not in favor of this at this time. So I say, let us give a little more time to it. (Applause.)

Mr. Felsinger (President of the New York Savings Bank): Mr. President, I do not desire to discuss this question, but simply call attention to the fact that if we are to vote on it, according to the constitution it will

require a two-thirds vote to adopt this amendment to the constitution.

Mr. Fletcher (President of the German National Bank, of Little Rock, Ark.): Mr. President, I suggest that we vote by States. We know that self-interest sometime prompts men to do things. I would like to have the States called, and a vote taken according to their representation in this body. I make that motion, if it is in order.

A Delegate: That is not in order.

Mr. Fletcher: Well, I will withdraw that. I am like my friend from Pittsburg, it matters little with us whether it passes or not. We feel that we can organize ourselves under the suggestion of the committee, without recommendation by this body.

I say, furthermore, that the idea of only paying out \$45,000 in losses, and receiving so much, cuts no figure in this question. I have paid insurance on a house for four years, and it has never burned down yet, thank God. (Applause and laughter.) I have been paying, as president of the German National Bank, of Little Rock, indemnity to these companies for years, and none of the boys have ever stolen a cent. That is no reason why we should condemn this insurance policy business. I am decidedly in favor of insuring our employes in a good company to keep them from going to their friends and having them involved in personal liabilities. That is my idea. I think we might as well go along in the good old way.

I have been attending these National Bankers' Association meetings for a number of years. I am delighted to meet with my brother bankers from all sections of the country, and I believe, in the main, they will do the right thing. I am opposed to suggesting legislation of that sort in this body. I thank you. (Applause.)

(Cries of "Question," "Question.")

Mr. Hamilton: Mr. President and Gentlemen of the Convention, there is nothing that pleases this committee more than the discussion of this question as it is being discussed by the members of this Association. It is one of the most important features that was ever presented to you as a body to consider (Applause), and you should consider it carefully. The committee has advocated radical views and radical methods for this Association to adopt. We are convinced that we are right. We have considered every question that the gentlemen raised here from every standpoint conceivable, from every point of attack that we could find would be considered, and after careful consideration for eight years we have come to the conclusion that this is the only practical way to do this business. (Applause.)

When that committee was appointed in 1898 the bankers of this country were paying for their bonds from \$1.40 to \$10 a thousand, and the gentleman who paid the ten dollar rate informed this committee that he enjoyed a special rate from the insurance company, and if we betrayed his confidence he would hold us individually responsible. We informed him that it was no betrayal of confidence on our part to inform him that the same company were rating the same risk for other parties at \$2.50 per thousand.

At the time this committee was appointed seventy per cent. of the losses were contested by the fidelity insurance companies. Since the work of this committee has been followed up and studied and considered by the membership of the Association, there are to-day but 40 per cent. of the losses being contested. All the time this committee was appointed there was not a single bond written by a single fidelity company in the United States that could be collected under any court of law in any State. (Applause.)

The conditions of those bonds have not materially been improved, but it is now policy for the companies to pay. The gentleman here alluded to the fact that the average loss is only \$45,000. He did not understand our position in this matter. The average losses paid are only \$45,000. The losses only amount to in the neigh-

borhood of \$100,000—the bonded loss—to the membership of this Association. But, actually, the loss paid for the past ten years has not exceeded \$45,000. The proposition of creating a Board of Trustees to handle this bond is the only practical way that this can be done. This Board of Trustees would be the custodian of the bonds; they can sue and be sued; they have the same standing in any court of record that any corporation would have, only in a different form of action.

The gentleman spoke here of the possibility of bringing suit against the trustees. That has been provided for in the rules and regulations, which are to be adopted by this Executive Council, if you, in your wisdom, see fit to adopt the amendment to the constitution. I thank you gentlemen. (Applause.)

AMENDMENT TO PERMIT FIDELITY BUSINESS LOST.

The President: Those in favor of the adoption of the constitutional amendment will please rise, after which those opposed will rise.

The question was taken and the President announced that on this question there were, in favor of the amendment, Yeas, 133; nays, 98.

The President: There not being two-thirds in favor of this motion, it is lost.

Mr. Elliott (of Los Angeles): Mr. President and gentlemen, Los Angeles is second in prosperity and progress of the cities of the coast, and as regards hospitality it is second to no city in the United States. (Applause.) Some gentlemen who came on the New York excursion with some others have already registered with us as signifying their intention of being our guests on next Monday and Tuesday. We wish every gentleman in this house who wishes to visit us on those days, or either of them, to be good enough to register his name, so that we will know how many guests we will have to provide for, and we will try to provide for you with a whole heart that comes from the South.

The President: Gentleman, I wish to call attention to the constitutional provision, which will be found in the programme. It is as follows:

(The Secretary read Section 2 of the Constitution of the Bankers' Association.)

The next report is the report of the Committee on Uniform Laws, by Mr. Frank W. Tracy.

In the absence of Mr. Tracy, the report was submitted by his son, as follows:

Report of the Committee on Uniform Laws.

We have the pleasure to report that we have added to the list two States during the past year—the States of Idaho and Montana. We find it extremely difficult to reconcile the views of the various members of the Legislature in the various States. There is hardly a member of the Legislature but what has his peculiar ideas which he thinks ought to become part of the law, which, if we admitted, we would have no uniform law. As an example in the State of Nebraska, we got the bill nearly through when some members thought it ought to be amended, and it was so thoroughly amended that we had abandon the support of it. What we want is uniformity in all the States. We also hear the statement quite frequently made that this law is offered because of the fact that it comes from the bankers. During the past year we have proven this statement to be unfounded. In the State of Illinois in order to test the matter an agreement was made between your Committee and the Illinois Bar Association by which the Illinois Bar Association was to have entire control of the Bill, while our Committee was to say nothing. I am sorry to say the result was that no bill was passed. But we are not discouraged. We have only to refer to a recent report of the Hon. Lyman D. Brewster, Chairman of the Commission on Uniform State Laws of the American Bar Association, who has lent his time and talents to the furtherance of these measures. He says:

Ten years ago we presented and recommended for general adoption a uniform law on weights and measures. About the utility of this act it would seem impossible to raise a question.

Surely the bushel ought to be uniform throughout the country. Well, it has passed four States in ten years. Our proposed acts on wills and deeds shared about the same fate. Three years ago the Conference ventured into the troublous region of divorce, and not a single State, so far as I know, has passed our modest proposed law on divorce procedure intended to restrain tramp divorces and to give the defendant an opportunity to be heard in court. On the other hand, as already stated, the Negotiable Instrument Act, in the form of a short code, has been successfully adopted although thirty-six pages in length. As to its permanency one can only say that in six years only one or two trivial changes have been made, occasioned by the effect of revenue stamps on sight drafts and the like.

It seems that the law for the adoption of a uniform law for weights and measures, which ought to have no opposition whatever, has only passed in four States, in ten years, while we have succeeded in passing our Negotiable Instrument Law in twenty-three States in seven years.

The evolution of the law from a digest into its present practical form is interesting, and I again quote Judge Brewster:

A studious English lawyer—Mr. M. D. Chalmers, now Parliamentary Counsel to the Treasury, a born draftsman and so far removed from a radical "Benthamite" as it is possible for an Oxford man to be—read over carefully all the reported English cases on the law of "Bills and Notes" and put their substance in an admirable digest. This digest proved at once so serviceable that the merchants and bankers of Great Britain insisted that it should be drafted in the form of a code and have the authority of legislative sanction. After its redrafting in the form of a code and a great deal of committee work on it, both in and out of Parliament, by merchants, bankers and lawyers, it was passed in 1882 by both Houses as "The Bills of Exchange Act." It proved to be a success every way both for lay men and lawyers, and was soon adopted in the British colonies.

Equally simple and natural was its introduction into the United States. In 1895 a small body of American lawyers appointed by several States—New York State having initiated the movement—for the purpose of promoting uniform State laws on certain subjects wherein existing laws were variant, uncertain and often conflicting recognized in the English "Bills of Exchange Act" a convenient and excellent basis for an American law on the same subject, and this partial codification seemed to them, after much study thereon, almost the only practicable method of obtaining the uniformity they were deputed to secure.

The result was Mr. Crawford's "Negotiable Instruments Law."

Mr. Crawford proved so ready and able a draftsman that his predecessor, Mr. Chalmers, said in his address before the American Bar Association last summer:

If I could do the work over again I could produce a better act, and I am glad to see that you, in your Negotiable Instruments Act, which has now been adopted by so many States, have in many respects improved on the English measure.

The following is a list of the States now operating under the law:

Connecticut—April 5, 1897.
Colorado—July 15, 1897. (Notes falling due Saturday are payable the same day, except those falling due in Denver on any Saturday during June, July and August, when they are payable the following Monday.)
Florida—August 3, 1897.
New York—October 1, 1897.
Massachusetts—January 1, 1898. (Three days' grace allowed sight drafts.)
Maryland—June 1, 1898.
Virginia—July 1, 1898.
North Carolina—March 8, 1898. (Three days' grace on notes, acceptances and sight drafts.)
District of Columbia—April 3, 1899.
Wisconsin—May 15, 1899.
Tennessee—May 12, 1899.
Oregon—May 19, 1899.
Washington—June 7, 1899.
Utah—July 1, 1899.
Rhode Island—July 1, 1899. (Three days' grace on sight drafts.)
North Dakota—July 1, 1899.
Arizona—September 1, 1901. (Except by clerical error, chapter on Promissory Notes and Checks omitted.)
Iowa—July 1, 1902. (Amended to give three days' grace on each of which demand may be made.)
New Jersey—July 4, 1902.
Ohio—June 1, 1903.
Pennsylvania—July 1, 1901.
Montana—March 7, 1903.
Idaho—May 1, 1903.

It is hoped that an earnest effort may be made by each of the bankers of the States noted below, the legislatures of which meet next winter, to bring to the attention of the legislator of his district the great value of having this act among the laws of the State:

Louisiana.
Maryland.

Mississippi.
Vermont.

FRANK W. TRACY, Chairman.
J. B. BROWN,
HOMER A. MILLER,

Committee.

The President: The next business is the report of the Committee on Bureau of Education.

The Chairman, Mr. Robert A. Lowry, submitted the following report.

Report of the Committee on Education.

SAN FRANCISCO, October 20, 1903.

American Bankers' Association.

Gentlemen: The work of your Committee on Education during the past year has been devoted largely to the American Institute of Bank Clerks. The constructive period in the history of this Institute has been succeeded by the period of crystallization, and the Institute is in the opinion of your Committee no longer an experiment.

It gives me pleasure to hand you herewith the report of Mr. J. B. Finley, President of the American Institute of Bank Clerks. There has been no radical departure from the original plan of operation, for this has not been deemed expedient in view of experience for the past years of the Institute. Still the natural law of development has not been ignored, and wherever an improvement on our original plan has suggested itself it has been adopted, when the success of the Institute or its efficiency demanded it.

During the past year the Institute has suffered a serious loss in the death of its able and enthusiastic Secretary, Mr. A. O. Kittredge. He had the Institute greatly at heart, and had shaped to a great extent the work, which has progressed so successfully. Since his death, however, others have taken up the work, and your Committee feel that it is in good hands. The active management of the affairs of the Institute is now in the hands of the Account, Audit & Assurance Company, and the Trustees of the Institute have considered it advisable to continue for the present the arrangement heretofore existing for the conduct of the Correspondence School of Banking and the publication of THE BULLETIN.

As you are no doubt aware, THE BULLETIN of the Institute is conducted on strictly educational lines, and is intended to be the literary clearly house of Institute work. It is neither a vehicle of banking news nor a magazine of learned financial essays. In its columns the best efforts of individual Chapter members and students are published for the benefit of all, and the fact that THE BULLETIN has some six thousand subscribers is conclusive evidence of its utility as an instrument of education.

Those who have the work in hand are enthusiastic business men, and I feel that the American Bankers' Association cannot do better than to continue this work so auspiciously begun. It is certainly doing a great deal of good in helping those who wish to become efficient bank workers and to perfect themselves in the science of modern banking. Besides it enables banks and bankers to always have a supply of efficient and capable material from which to select the working force of the banking institutions of the country.

It is hardly worth while to consume your time in elaborating upon the work or the feasibility of the plan. As I stated, its experimental period has passed, and it now becomes the duty of this Association to maintain this Institute. We want to continue our work along this line, as the results obtained to this time fully warrant us in expecting greater results in the future.

The balance left over from the last appropriation is about \$3,000, same as last year, and your Committee respectfully asks the appropriation of \$10,000, or so much

as will be necessary to continue the Institute and increase the scope of its usefulness in the educational branch of our Association work.

ROBERT J. LOWRY, Chairman.

Report of the President of the American Institute of Bank Clerks.

To the Committee on Education, American Bankers' Association:

The year since the date of the last report to the American Bankers' Association Convention in New Orleans has been eventful. It is practically the third year in the history of the American Institute of Bank Clerks, although only two and one-half years of active work participated in by the bank clerks of the country have passed.

The growth of the Institute has been rapid, and the soundness of the original scheme has been conclusively demonstrated by the fact that natural evolution has occasioned only adaptations.

As stated in previous reports, the work of the Institute is carried on along three distinct but interdependent lines, the CHAPTERS, the STUDENTS of the Correspondence School of Banking, and THE BULLETIN.

The work of the Chapter members was in a sense focussed in the Chapter Convention held at Cleveland, O., September 18 and 19. This was the first meeting of a national character of Chapter members. Twenty-three out of thirty Chapters, numbering some 3,000 members, were represented by 112 delegates, besides which a number of bank clerks, bankers and others attended unofficially.

Papers of unusual excellence by bank clerks were presented, read and discussed with a marked degree of interest, and a showing of intimate and accurate knowledge of the subjects treated developed in the discussion. A spirited debate on a subject of prime importance to banking men was held between representatives of Detroit, Washington and Philadelphia Chapters on the one side and Buffalo, Minneapolis and Providence on the other. The arguments pro and con were well expressed.

Prominent bankers attended the banquet of the Convention and addressed the delegates:

O. H. Stafford, Secretary and Treasurer of the Broadway Savings & Loan Company and the Woodland Avenue Savings & Loan Company, of Cleveland, O.; M. H. Wilson, Secretary and Treasurer of the Western Reserve Trust Company, Cleveland, O.; C. B. Mills, Cashier of the People's Trust & Savings Bank, Clinton, Iowa.

The proceedings of the Convention have been published in full in the October 15 BULLETIN, and it is unnecessary to further repeat them here. The Convention was orderly and business-like in every respect, and compares favorably with conventions of older and more experienced bodies.

The work of the individual Chapters during the year has been attended with abundant evidence of benefits to members, largely increased interest on the part of bankers and the general business public, and enthusiasm in the movement is everywhere displayed. Papers of exceptional quality have been prepared and read by members before their respective Chapters, published in THE BULLETIN, and have attracted wide and favorable attention.

Debates between various Chapters have been productive of good results, and have disclosed a number of ready and fluent speakers among the Chapter members.

Men of national reputation have gone to considerable trouble to address the various Chapters. Bank officers and bankers of prominence throughout the country display an ever increasing interest and appreciation. State bankers' conventions have included in their proceedings commendatory mention of the Institute. At the Convention of the N. C. Bankers' Association, Mr. Caldwell Hardy, President of the American Bankers' Association, said:

It should be remembered in discussing the advantages of the Institute and the expediency of sustaining the work so auspiciously begun.

closely begun, that young men are being trained along the lines of membership in the American Bankers' Association. Up to date, the American Institute of Bank Clerks has been distinctively known as a creature of the American Bankers' Association, and whatever bank clerks have derived from it they have understood to come direct from this fountain source.

It is worth much to the American Bankers' Association as an organization that young men are being thus trained to think of it as their alma mater and that from which they derive substantial benefits. Every bank clerk who is taking a course in the Correspondence School of Banking, or one who is a member of a local Chapter, or who is a reader of *THE BULLETIN*, is thus being trained for the high responsibilities of membership and representation in the American Bankers' Association.

Mr. O. J. Sands, President of the Virginia State Bankers' Association, at the recent convention at Richmond said:

The American Bankers' Association has taken great interest in the American Institute of Bank Clerks. I commend this work to all our banks and their employees. This institution gives every ambitious clerk opportunities that heretofore could not be procured, and which are of inestimable value to him, and through him to his employer. It provides a correspondence school of instruction so that every clerk, whether a member of a Chapter or not, can receive instruction, and it publishes a semi-monthly paper called *THE BULLETIN* of the American Institute of Bank Clerks, which should be in the hands of every bank clerk in Virginia: indeed, many officers find much of interest and instruction in its columns.

Col. Robert J. Lowry, President of the Lowry National Bank of Atlanta, Ga., at the recent convention of the Georgia State Bankers' Association, said:

Many of you are doubtless aware of the fact that the American Bankers' Association is maintaining an Institute for the education of bank clerks. It is so managed that any bank clerk can get information that will be very valuable to him, and of course very valuable to every bank in the State of Georgia.

There is issued twice a month a paper known as *THE BULLETIN*, which is full of suggestions and lessons upon banking from the elementary branches of banking on up through the higher and more complicated problems that arise from time to time in out profession. The subscription list of *THE BULLETIN*, which embraces subscribers all over the country, is about six thousand.

It was my pleasure to attend a meeting of the New York Chapter of the American Institute of Bank Clerks a few months ago in the city of New York, which Chapter is composed of about four hundred men. I thought I would find bank clerks there of ages ranging from fifteen to thirty years and upward, but I found some of them there as old as I am, and that's getting along up the ladder pretty well. They seemed to be learning, and that Chapter of the Institute was doing a great deal of good. The bankers were there, too, and they took a great interest in it, and one of the bankers told me that the best clerks he ever had he got through that Institute. He had found that they were up to date. Said he: "Take a young man that has been through this elementary education, that has been given to him either by mail or through these Chapters, and he will step right into the place of one that it would take two years to train up before."

Now, I am sorry to say that we have not a Chapter in Georgia. I am very greatly interested in this work, and would like very much to see Chapters in the larger places—I say this because I presume the smaller places could not well afford it. Now I earnestly hope that this association will do something to help the cause along. I have been pretty prominently connected with the movement for some time past, and I would like to have something to show from Georgia, and to show that I have done some work at home. I hope that commencing now the Georgia Bankers' Association will encourage their clerks to meet together, and talk about financial ideas and propositions, for I am sure it will help them, and help the banks of the State as well.

Now, if you will help me a little along the line of my proposition of getting up some Chapters of the American Institute of Bank Clerks, I will appreciate your co-operation and support in this direction. I especially appeal to Augusta, Macon, Columbus, Savannah and Atlanta—yes, right here at home.

And these are but a few of the many expressions of interest from bankers.

Chapter libraries are being formed, embracing standard works on financial and economic subjects, and are largely employed by the members in their work. That of the St. Louis Chapter now includes some two hundred books of from one to twelve volumes each.

Promotions indicative of the real worth of the Institute work have rewarded many members. Of all the promotions of bank clerks in Chicago during the year, 86 per cent. were of Chapter members, although only one-fifth of the bank clerks of Chicago are enrolled in that Chapter. The president of Buffalo Chapter has been promoted to an assistant cashiership, president of Minneapolis Chapter to like position, and San Francisco Chap-

ter has been similarly honored. St. Paul Chapter was for a time without officers, every one having been promoted to assistant cashiers. And there have been many promotions of Institute members outside of Chapters.

The Correspondence School of Banking, in its important function, cannot be overestimated. It brings the advantages of the Institute to the greatest possible number of bank clerks. Especially helpful to the bank clerk deprived by geographical situation of the chance of Chapter membership, it is also greatly appreciated among Chapter members. But 10 per cent. of the enrolled students are Chapter members, which seems to indicate that this branch of the work is most appreciated by clerks of banks located in the smaller towns—i.e., country banks.

Chapters as a whole are being interested in the work along the line of these plans. Papers on subjects assigned to the various Chapters, after discussion and revision in the author-Chapters, are sent for discussion to other Chapters, and the final product published in *THE BULLETIN*, whereby it is presented to the students who are not Chapter members and to every other Chapter. Similarly the best papers prepared by the individual student are presented through *THE BULLETIN* to the Chapter students.

The studies of the Correspondence School are divided into thirteen elective courses on the following subjects:

Practical Banking.	Commercial Law.
Double Entry Bookkeeping.	Practical Finance.
Financial History.	Commercial Geography.
Bank Arithmetic.	Commercial Rhetoric.
Business Correspondence.	English Grammar.
Pennmanship.	Shorthand.

Civil Government.

There are at present enrolled in these various courses some 800 students. When it is considered that one of the largest and most aggressive correspondence schools in the country took years to reach 600 students the success assured to the Correspondence School of Banking, cannot be questioned.

In the studies in Practical Banking, Commercial Law, Double Entry Bookkeeping, Bank Arithmetic, Shorthand, Business Correspondence, Commercial Rhetoric, English Grammar and Pennmanship, the examinations are by questions and answers.

Each of these courses is divided into sections. When a student enrolls in many of these subjects his fitness for pursuing the course of study selected is first determined. He is required to furnish information concerning his education, training and experience, and also to specify the special object he has in view in taking up the desired study. If this examination reveals the need of work more elementary in character as a foundation, the student will be officially advised of the fact and such suggestions offered as may be warranted. When the course of study is approved a textbook is sent to the student, together with letters of instruction, and examination questions relating to the first two sections. The letters of instruction are personal letters, adapted as closely as possible to the student's individual needs, telling him how to proceed with his study and what features to lay special stress upon. In accordance with these directions he begins the study of the first section of the course. When he has mastered the first section he lays it aside and answers the examination questions relating to its contents. The answered questions are mailed to the Institute. There they are carefully examined and corrected and marked according to merit. They are then returned to the student, accompanied by a letter of suggestions and criticisms. If the answers of the student show that he has failed to get an intelligent understanding of the subject, that fact is brought to his attention, and he is directed to go over the ground again and to submit to the Institute satisfactory evidence of improvement. When he has complied with these requirements his papers on the first section are returned to him, and he receives the third section of the course with a letter of instruction and the examination questions covering the text.

Thus, the student has in his possession always a section of study waiting for his attention to which he can

devote himself promptly, while his work on the section immediately preceding is passing through the mail to the Institute and is there being examined. By this method he can carry on his studies as rapidly as the time at his disposal will permit. When he meets with difficulties that he cannot overcome by earnest, unaided effort the Institute will give him such help and guidance as may be advisable. He has only to write out and mail a clear statement of the facts he cannot understand, and the necessary information and instruction will be promptly supplied.

In the studies in Commercial Geography, Financial History, Practical Finances and Civil Government the preparation of short papers or theses takes the place of examination by questions and answers. The nature of these subjects makes it almost impossible to test a student's knowledge of them by a series of categorical questions and answers. The training the student receives in putting his thoughts on paper, expressed in simple, clear language and arranged in logical sequence, is of greater value to him as an educational discipline than answering disconnected questions about undigested information. After the student has enrolled and has passed the preliminary test of his fitness for taking up the study selected, a textbook is sent him, together with letters of instruction and advice regarding the way he should carry on his work. These are personal letters, based on facts furnished by the student, and their purpose is to meet as fully as possible his individual needs. Each course is divided into sections. When a student begins his work letters of instruction covering the first two sections of the course are sent him, together with a list of subjects relating to the text of these sections. When he has mastered the first section he lays it aside and selects from the subjects on that section one upon which he writes a short paper. This he mails to the Institute, and then begins work on the second section. His paper is corrected and criticised, given a percentage mark and returned to him, along with a letter and subjects regarding the third section. This method is continued to the end of the course.

The tuition fee for each course is \$15. This fee includes one year's subscription for *THE BULLETIN* and also textbook and all instruction and examination papers, which become the property of the student.

Group courses have been arranged by combining the essential features of the elective courses on those subjects most closely related. Students are thus afforded comprehensive training for specific lines of work without the necessity of absorbing the separate course on each topic. The fees for the group courses are materially less than the cost of the same instruction in the separate courses. Special groupings to meet the peculiar needs of the individual student are also arranged at similarly reduced cost.

THE BULLETIN may be described as the warp of the Institute fabric. It is so closely related to the other divisions of the Institute work, in addition to its distinctive character, that anything said about *THE BULLETIN* reflects at once the whole Institute.

Purely educational, it is of wide influence, already reaching some six thousand subscribers. Every State and Territory in the Union and many foreign countries are represented on its mailing list.

Evidence of the esteem in which it is held is found in the many appreciative letters received from subscribers. It is the mental clearing house of Institute members, facilitating interchange of ideas. It is the exponent of the Institute to the general banking public. It is esteemed by the bankers of the country as a valuable compendium of banking information.

As generally indicating the success of the Institute as a whole there appear in the following pages of this report typical letters received from subscribers and students, and a list of prominent men who have interested themselves in forwarding the movement.

At once illustrative of what the Institute has accom-

plished, for an individual, student, subscriber, and Chapter member, and a comprehensive description of the Institute as it appeals to the bank clerk, there is presented also the prize essay on the Institute, written by Mr. W. F. Mackay, of the Cleveland Trust Company, Cleveland, O. Twenty papers, each one worthy of note, were prepared for this competition, all examples of what the Institute has done and an indication of the good it can do.

J. B. FINLEY, President.

The President: The next business on the programme is the address by Mr. L. P. Hillyer, Cashier of the American National Bank of Macon, Ga.

"Money Orders of Bankers' Associations," by L. P. Hillyer.

[Mr. Hillyer's paper in full will be found on pages 1633 to 1634 of this publication.]

RESOLUTION IN FAVOR OF BANK ORDERS ADOPTED.

Mr. Pierson: Mr. President, I believe the decision of the Convention was that the consideration of the resolution in regard to money orders should come immediately after the reading of this paper.

The President: The gentleman is correct.

The question is on the adoption of the resolution offered by Mr. Pierson, as follows:

Resolved, That this Association adopt a banking money order system, and that the President appoint a committee of five to devise a plan whereby members can be furnished uniform bank money orders and proper advertising matter in connection with the same at a minimum cost.

The report of this committee shall be rendered to the Executive Council, which is hereby empowered and requested to authorize such expenditure as shall, in their judgment, be proper to enable the committee to carry out its recommendations.

Mr. Goodall, Vice-President of the Bank of Discount, of New York City: Mr. President, I am glad that the opportunity has come that this question may be decided in the manner in which it will be. I only regret that there are no more people here to discuss it. The only modification or change I would suggest in the resolution, that instead of the President appointing the committee, the Executive Council should be given that power. I offer this amendment, making that change; I offer it in a very friendly spirit, and, if there is any objection, I will withdraw it.

A Delegate: Whom do you represent?

Mr. Goodall: The Bank of Discount, New York City.

The Delegate: Are you connected with any institution using these orders?

Mr. Goodall: Yes, I am a director of the Bank of Discount. (Cries of "Question," "Question.")

Mr. Pierson: Mr. President, the original motion was passed upon by the Executive Council, and recommended by them. The point made was that it seemed to be necessary that that change should come before the Executive Council. I call for a vote upon that.

The President: I think it would be a very strict construction of the constitution to say that a resolution reported by the Executive Council could not be amended by the Association; and therefore, it certainly seems competent to propose the amendment that the gentleman has proposed. The question recurs on the adoption of the substitute for the original resolution.

Mr. Cook, of Kansas City: Mr. President: it seems to me proper at this time to suggest, in view of the late hour and in view of all the facts, and since there seems to be some question about the possible fairness of the President, that the substitute should be voted down and the original resolution prevail.

Upon motion, duly seconded, the amendment offered by Mr. Goodall was laid upon the table.

The President: The question recurs on the adoption of the original resolution.

The motion prevailed.

Thereupon, at 1.30 o'clock P. M., the Convention adjourned until to-morrow, Thursday, October 22, 1903, at 10 o'clock A. M.

SECOND DAY'S PROCEEDINGS.

Thursday, October 22, 1903.

The Convention was called to order at ten o'clock a.m. by the President, Mr. Caldwell Hardy.

Prayer by Rev. George C. Adams, Pastor of the First Congregational Church:

PRAYER.

Our Heavenly Father, We thank Thee for Thy care over Thy people, that Thou hast acknowledged us as Thy children, and that as we look back over the past we can see Thy hand in the development of human character and the upbuilding of divine principles in human souls. We thank Thee for the co-operation and the fellowship of the present day, that men can come together and discuss the great interests that are at stake, and those things that are in their keeping, and that Thy will can be done, and that Thy thoughts can be carried out in the councils of men.

We ask Thy blessing upon us as we meet to-day. We thank Thee for the session of yesterday, we thank Thee for all the discussions that help to bring out great truths in the settlement of great questions; we thank Thee for men whom Thou hast developed, in whom the people have confidence; we thank Thee for the growth to-day of manly, upright character, and that there are in the communities in this land and all over the world so many that the people can trust, that the interests of the poor are secure in their hands; that the thoughts of people going out to them can lead to the security of feeling and to the consciousness that they are safe.

We pray Thee to help in all the discussions of the day. Grant that that which shall be said and done may be in accordance with Thy will; help us to remember that we are stewards of Thy possessions, that the silver and the gold are Thine, and Thou hast loaned them to us for a little while, and shortly we shall give account of our stewardship. We pray Thee to help us remember our obligations as Thy stewards, and when we are called upon to give an account of our stewardship we shall be found to be faithful. Guide and bless those that have been left as we have come across the continent, bless the homes out of which these many have come, and grant that all efforts of the present day may result in great good in the bringing in of Thy faith. We ask it in Jesus' name. Amen.

The President: I have a telegram here which I will read.

(The telegram referred to reads as follows):

CLEVELAND, OHIO, October 19, 1903.

Caldwell Hardy, President American Bankers' Association, San Francisco:

Please express to the members of the American Bankers' Association my deep regret at my inability to attend the twenty-ninth annual convention. The members of the Association may feel, as I do, a justifiable pride in the strong position which the Association has taken in the country for conservatism and progression. I sincerely hope the convention may be the most successful in the history of the Association.

MYRON T. HERRICK.

The President: The Secretary has two announcements to make.

The Secretary: The California Society of The Sons of the American Revolution has sent the following invitation:

SAN FRANCISCO, October 21, 1903.

Secretary American Bankers' Association, California Theatre:
Dear Sir.—Inclosed please find circular relative to the annual dinner of this society, to be given here to-morrow evening.

It is altogether likely some members of your Association now visiting this coast are members of our society.

If so, we extend to them through you a cordial invitation to attend this dinner as our guests, and if they will communicate with me, arrangements will be made to accommodate and welcome them.

Yours respectfully,

A. D. CUTLER,

Chairman Dinner Committee, 134 Market Street.

The California Promotion Committee, of San Francisco, writes as follows:

THE CALIFORNIA PROMOTION COMMITTEE OF SAN FRANCISCO.

SAN FRANCISCO, October 19, 1903.

Mr. Caldwell Hardy, President American Bankers' Association, Palace Hotel, San Francisco:

My Dear Sir: The California Promotion Committee, representing the leading commercial organizations of the city and State, tenders a most cordial invitation to the members of the American Bankers' Association to visit the headquarters of this committee, at 25 New Montgomery Street, this city.

As the objects of the committee are entirely unselfish, and as it is composed of the leading men of San Francisco, all of whom are glad to welcome the American Bankers' Association, I will most heartily appreciate the bankers calling at our headquarters and obtaining our literature upon all portions of the State. The Promotion Committee is a unique organization, supported entirely by subscription. Such interest has been manifested in the work that organizations of other committees representing a great amount of capital have come to study our methods.

I feel certain that apart from the literature and informa-

tion your members can obtain regarding this great State at our headquarters, they will be glad to understand the workings of the organization, which is so conspicuous, a result of California patriotism.

The Promotion Committee, therefore, begs that the courtesies of its headquarters may be thrown open to the members of the American Bankers' Association, and that the spirit of this letter may be formally declared to all guests now in the city.

Hoping to have the pleasure of meeting you personally, I beg to remain, cordially yours,

RUFUS P. JENNINGS,
Executive Officer.

This is a telegram received from the Cincinnati Chapter of the American Institute of Bank Clerks:

CINCINNATI, OHIO, October 20, 1903.

American Bankers' Association, in Convention, San Francisco, Cal.:

The Cincinnati Chapter of the American Institute of Bank Clerks sends greetings.

WM. BURRIS,
Secretary.

Report of Auditing Committee.

The Auditing Committee have sent in the following report:

We, the undersigned, Auditing Committee, have carefully examined vouchers and statements of George F. Orde, Treasurer, and have found same to be correct.

ALEX. D. CAMPBELL, Chairman,
G. M. REYNOLDS,
J. R. MCALLISTER,

Committee.

The President: What is your pleasure with the report? Shall it be received and filed?

Upon motion, duly seconded, the report was received and filed.

Address by Mr. J. E. McAshan, Cashier South Texas National Bank, Houston, Texas:

"Money Supply of the United States," by J. E. McAshan.

[Mr. McAshan's paper in full will be found on pages 1631 to 1633 of this publication.]

The President: The Chair regrets that Mr. Homer S. King has been called out of the city, and will, therefore, be unable to address us.

I now have the pleasure of introducing Mr. William B. Ridgely, Comptroller of the Currency, who will address us on the currency question.

Mr. Ridgely: Mr. President, Ladies and Gentlemen. I have taken the liberty—too late to have it changed on the programme—to alter the title of my address. Instead of speaking on "The Currency," the title of my paper will be "The Business Situation and The Currency."

"Business Situation and the Currency," by Comptroller William B. Ridgely.

[Mr. Ridgely's address in full will be found on pages 1623 to 1626 of this publication.]

RESOLUTION CONTINUING COMMITTEE ON FIDELITY INSURANCE.

The President: The next business in order is the call of States.

Mr. Cook (of Kansas City): I desire to offer the following resolution for reference to the Executive Council, with the request that it be reported immediately back to the convention for its consideration. It is this:

Resolved, That the Committee on Fidelity Insurance be continued until the next annual meeting of this Association. (Applause.)

The motion was seconded.

The President: It is moved and seconded that the Fidelity Committee be continued until the next convention. That motion would require a two-thirds vote to be adopted, according to the constitutional provision.

A vote was taken, and the resolution was unanimously adopted.

The President: The resolution is referred to the Executive Council.

THANKS TO COMPTROLLER RIDGELY.

Mr. P. C. Kauffman (Fidelity Trust Company, Tacoma, Wash.): Mr. President, I offer the following resolution:

Resolved, That the thanks of this convention be tendered to the Comptroller of the Currency, the Hon. William B. Ridgely, for his wise, temperate and most timely address.

The motion was seconded.

The resolution was unanimously adopted.

APPROPRIATION FOR INSTITUTE OF BANK CLERKS.

Mr. C. B. Mills (of Clinton, Iowa): I offer the following resolution:

Resolved, That the Executive Council be requested to grant the request of the Educational Committee to appropriate the sum of ten thousand dollars to carry on the work of the American Institute of Bank Clerks.

The motion was seconded by Mr. William George, of Aurora, Ill.

The President: That will have to be referred to the Council by a two-thirds vote for an immediate report, as was done with the former resolution.

The resolution was unanimously adopted.

The President: We will now proceed with the call of the States.

Call of States.

The Secretary proceeded with the call of the States, and the following responses were made:

ALABAMA.

Mr. L. B. Farley, of Montgomery, Alabama: Mr. President and Gentlemen, First on the roll of States to answer to the call, so will Alabama be found on the tablet of progress and prosperity. Like a brilliant meteor in a scintillating galaxy of States, Alabama stretches from the beautiful valley of the Tennessee on the north to the historic Gulf of Mexico on the south, and within her bosom she carries those God-given treasures which would be a credit to any State or country now known to man.

In inexhaustible quantities from the very bowels of the earth we are producing for the use of mankind the very best grades of iron and coal, and at a lower cost than is possible in our sister State of Pennsylvania and other older competitors. The labor question in Alabama is one that scarcely, if ever, perplexes its citizenship, for the reason that wages well balance the hours of toil, and the cost of living is not a severe tax upon the people.

With us business is good and the song of contentment is heard far and near. The future of the State is safe beyond question, in that its industries are diversified, for besides the natural products to which I have referred, Alabama is one of the largest producers of King Cotton, and at present prices this year a distribution of nearly sixty million dollars will result from the recent labors of our farming interests on this account alone. Our corn crop exceeds in volume that of any previous year for two decades past, while in oats we have made a yield equal to our coming needs. Money is plentiful in Alabama, and our banks are rapidly becoming lenders to our Eastern friends, rather than borrowers. During the year ending July 1 the deposits of Alabama banks have increased ten millions of dollars, while banking capital has shown an increase of over three millions; the increase in the number of banks being less than twenty. Our most important move of financial interest has been the passage by our Legislature on October 3 of a banking bill, requiring periodical examinations of all State and private banks by a State Examiner, and the publication of additional statements as called by the State Banking Department. The bill also restricts unsecured excessive loans, and loans to officers or employees, as well as requires the maintenance of a fixed reserve. The bill has been sadly needed for years, and "wild cat" banking is now at an end in Alabama.

Rich in its natural and agricultural attainments, Alabama has not been behind in presenting you with such Army and Navy timber as "Fighting Joe" Wheeler and Richmond Pearson Hobson, and to elevate the negro (whose condition is as well cared for in Alabama as in any State in our inextinguishable Union) we have made you acquainted with Booker Washington, who is doing a great work along the right lines at Tuskegee. (Applause.)

In conclusion I wish to impress upon my hearers that true American manhood in all its beautiful and sweet characteristics is found flourishing in Alabama in no less degree than elsewhere, and no son of our State can have a grander heritage than to be brought up to manhood under the gentle influence of an Alabama mother, for of such is created the true American citizen, who knows no North, no South, no East, no West. (Applause.)

ALASKA. (No response.)

ARIZONA.

Mr. L. M. Jacobs, Cashier Arizona National Bank, Tucson, Ariz.: Mr. President, Arizona simply has to say that

her people are progressing to a very great extent, as evidenced by reports her banks are able to make, and I have to say that there is only one change we would like to make, and that is, we would like to get out of our territorial condition that now exists and join the galaxy of States that form this great and glorious Union. (Applause.)

Mr. Swinney: Mr. President, I would ask that the Executive Council meet at once at the rear of the stage.

ARKANSAS.

Mr. John G. Fletcher, German National Bank, Little Rock, Ark.: Mr. President and Members of the National Bankers Association of America, As a representative from the State of Arkansas I bring good tidings to this Convention. I hail from a State that has more navigable rivers than any other State of this Union, that has more fertile alluvial land than any other State of the Union. When I look back into the past history of my State I am reminded of a sentiment that is expressed in the great Book, that the first shall be last and the last shall be first. (Applause.)

Arkansas is, to-day, no longer the laughing-stock of the people of this country. We have over two hundred banks in the State, every village in the State has one or more banks, and they are all doing reasonably well. The State is now virtually inundated by the timbermen and lumbermen of the great North. We have the finest forest timber that grows upon the face of the earth; we have the finest cotton-producing State in the American Union, and that says everything; we have coal that underlies thousands of acres of our ground, which is now receiving the attention of capitalists and being developed. Why, sir, let me say to you that Arkansas is to-day one of the main pillars of the American Union.

Last year Arkansas had a million bales of cotton worth fifty million dollars, and our wheat crop and our corn crop were all good, and also we raised a great quantity of fruit, including plenty of watermelons for the negroes to eat. As a native of Arkansas I say that I am proud of the State, as I am proud of the United States—a government whose two per cent. bonds are quoted in Wall Street at 107, while British Consols at two and three per cent. are down to 88. We are American citizens, we in Arkansas, white, black, red, and all together. We live together there with our colored people in perfect harmony, working side by side for the upbuilding and prosperity of that great State. (Applause.)

I am reminded of what the immortal Thomas H. Benton said in the Senate of the United States, that this country must look to us, look to the East. Look to Arkansas, for a home. I had relatives that came across the plains in 1849, who helped to make California what she is, and we are proud of her. She is the only State in the American Union that never had a Territorial form of government. Why? With the great moving spirit that prevailed in 1849 so many came in here that California was admitted as a State. (Applause.)

But to return to Arkansas. When the Creator had finished the universe and saw that it was good, not only good, but very good, he had an eye on Arkansas. (Laughter and Applause.) Draw a line from Maine to San Francisco, and Arkansas is the half-way house. Draw a line from the Great Lakes down to the Gulf of Mexico, and Arkansas is the half-way house. So it is that this American Union is the center of the world, and Arkansas is the center of the Union. (Laughter and Applause.)

My time is up, gentlemen. I am proud and happy to be with you. I have had that awful weight on my shoulders since I have been here, being the only representative from the great State of Arkansas, and having carried the whole State on my shoulders, no wonder I feel a little fatigued.

I thank you for your attention, and I hope to see every man here at the next national convention. I hope you will return home and find your families in good health, and your business in a prosperous condition. (Applause.)

A Voice: "What's the matter with Arkansas?"

CALIFORNIA.

Mr. J. M. Elliott, of the First National Bank, of Los Angeles, Cal.: Mr. President, the member from California who was to respond is not here. All I have to say in his place is that when speaking of this great State it is impossible in the few minutes allowed me to recount what there is here for you to see. What I say to you is, gentlemen, look about you from the time you cross the Sierras until you go back again. I am sure that what you have seen and what you will see will be interesting, and much of it strange. It may be that much of the country will seem desolate to you, but remember that you have come to us at a time when

we have had no rain for six months, which in your country would mean absolute desolation and destruction. With us, we have been accustomed to it for so many years that we have learned to withstand it, and to prosper, notwithstanding it.

Welcome has been given to you by San Francisco men whom you have listened to, and all I can say to you in addition is, may you all enjoy yourselves from the time you come within our gates until you leave them. (Applause.)

COLORADO. (No response.)

CONNECTICUT.

Mr. A. J. Sloper, President New Britain National Bank, New Britain, Conn.: Mr. President and Members of the American Bankers' Association: The State of Connecticut, the land of steady habits, sends greetings to this Convention, and have decided, the two or three of us that are here, after visiting this beautiful city, that the city of San Francisco, and especially the bankers who are visiting here, are attempting in the evening, at least, to emulate the land of steady habits; because we found them where, if they are to become a close second to our good old Connecticut, we should have to send back for reinforcements.

Connecticut is doing very well. We have \$25,000,000 only of banking capital, with about \$18,000,000 surplus, and some \$65,000,000 of deposits. But in our manufacturing interests—what shall I say? Who shall come after Arkansas? Let me remind you, gentlemen, that when you go home after you have been out here with the boys at the club, or elsewhere, you will take from your pockets a key, and after you have found the keyhole you will put that key in a lock that was probably made in Connecticut, because we make about 80 per cent. of the builders' hardware that is used in the United States. You will hang up your hats on a hook on the hat rack that was probably made in Connecticut. You will walk over a carpet that is tacked down with tacks that were no doubt made in Connecticut. Your house was probably made with tools that were made in Connecticut, because we make 65 per cent. of all carpenters' tools in the country. Then you may go out into the pantry and spread yourself a cracker, and if you do you will use cutlery that was made in Connecticut, because about sixty per cent. of all the cutlery in the country is made in our State. Then you will go into your rooms and lie down to rest on a brass bed that was made in Connecticut, because about 75 per cent. of the brass beds are made in our State. You will sleep on a mattress that was probably made in our State, because 65 per cent. of the wire fabric mattresses are made there. When you throw off your suspenders preparatory to going to bed, you should remember that they were probably made in our State, for we make about 90 per cent. of the metal on the suspenders that are worn. Then, if you pare your sore corners before retiring, you will use a knife that was made in Connecticut.

And so it is that from the cradle to the grave you daily must use the products of our State. At last, when you are laid to rest you will be laid in the earth in a coffin which in part, at least, came from Connecticut, and screwed in with screws that were made in Connecticut, because about 70 per cent. of the screws are made in our State.

We are not so large as Arkansas; we are on one side of the United States instead of being in the center; we are not the center of the universe. But Connecticut is enterprising and progressive, and we will always be with you, especially in a gathering of this kind. As a result of our industry, business ability and thrift, we have in our savings banks a little over \$225,000,000. With a population of about a million, that means \$225 to the credit of every man, woman and child in our State. (Applause.)

APPROPRIATION FOR INSTITUTE OF BANK CLERKS REFERRED TO INCOMING COUNCIL.

Mr. Swinney: Mr. President, the Executive Council recommends the adoption of Mr. Cook's resolution.

As to the resolution to set aside ten thousand dollars for the educational committee, that needs a little explanation. Last year they set aside \$7,000. They have only used four thousand dollars of this amount, and the Council would recommend that five thousand dollars be set aside for that part, or that it be referred to the incoming council.

Mr. Lowry, of Atlanta, Ga.: I think the gentleman is a little in error. We had three thousand dollars left over last year, and we had an appropriation of ten thousand dollars. There was about three thousand dollars left over. Therefore, we ask for \$7,000.

Mr. Swinney: As I understand it this \$3,000 remains to the credit of that committee, and the \$5,000 will be added to that.

Mr. Lowry: I hardly think that the Committee can get along with less than the amount they ask for for this great work. Of course, we are not going to spend it unless we can spend it to do good for the American Bankers' Association. Therefore, we hope that the appropriation asked for will be given.

The President: As there seems to be some difference of opinion as to the amount appropriated, Mr. Swinney has suggested that it be referred to the Executive Council, and my idea is that they will make ample provision for the committee.

Mr. Lowry: I hope that that will not prevail. I hope that we will not be in a hurry about this, but that we will take time to understand it and let the appropriation be made; and then, if the committee requires more I know the Executive Council will give us more.

The President: The motion before the house is to refer it to the incoming Council.

Mr. Lowry: As I understand it, they report five thousand dollars, with the three thousand dollars which was unexpended, making eight thousand dollars in all. Is that right?

Mr. Swinney: We have something of this kind come up at every Council and hurry it through. We do not believe it is a good idea to have them go through in this shape. We believe they should have due consideration, and for that reason we believe the matter should go before the new Council. There is no question but what the new Council will get along all right with this committee and give them what they need, but you know you cannot get a Council together and pass upon a matter of this kind without considering it somewhat.

Mr. Finley, of Pittsburgh, Pa.: Mr. President, I wish to say that this is a recommendation, as I understand it, to the Council to make this appropriation. It is more for the purpose of getting the sense of the convention. They cannot make an appropriation on the floor. The appropriation will be made by the Council. Of course, it leaves it in the judgment of the Council to act as they think best, and this is simply a recommendation, and it only received the approval of the Convention.

The President: The language of the resolution is, "Be it resolved that the Executive Council be directed," and so forth. That is an order to the Council.

The question before the Convention is on the reference of the matter to the incoming Council, on the recommendation of the present Executive Council.

The question was taken and the resolution was adopted.

RESOLUTION CONTINUING FIDELITY COMMITTEE ADOPTED.

The President: The Council have recommended the adoption of Mr. Cook's resolution, in regard to the Fidelity Committee, continuing that committee.

The resolution was unanimously adopted.

The President: The Secretary will resume the call of the States.

(The Secretary resumed the call of the States.)

DELAWARE. (No response.)
DISTRICT OF COLUMBIA.

Milton E. Alles, Vice-President Riggs National Bank, Washington: Mr. President and Gentlemen of the Convention, this call of States has not proceeded very far before it is clearly demonstrated that the place which commands the use of the highest superlatives is our own home. I have the honor to represent a place which, next to your homes, should command your pride, and which, I am sure, does. The city of Washington is now, by common consent, the most beautiful capital of the greatest country in the world. (Applause.) Its affairs are stable, owing to its peculiar system of government, and we are without any of the problems which face other municipalities, and which are so apparent in this beautiful city of San Francisco to-day, if we may judge from the signs we may see upon the streets. We have no strikes in Washington, and we have the best paymaster in the world—Uncle Sam—who never defaults on paydays.

My message to you is one of greeting from the bankers of the District of Columbia, who command me to say that all is quiet on the Potomac, and, we hope, in the region about the headwaters of the Chesapeake, also of the Alleghany and the Monongahela. (Applause.)

FLORIDA.

Mr. J. C. L'Engle (Jacksonville, Fla.): Mr. President, speaking for Florida it would (in view of the warm-hearted, generous and genuine hospitality which has been extended by California) be in bad taste to refer to those productions of Florida which come in competition with those of California. I will, however, say only that Florida's orange groves are recovering from the disastrous freeze of February, 1905, and that her orange crop this year will be about one million boxes. Florida's material and industrial development, however, has been during the past year greatest in the production of naval stores. This industry has quadrupled within that time, the forests of Florida affording new fields for the capital and labor which have heretofore operated in North and South Carolina and Georgia, until now Florida furnishes, I am reliably informed, one-half of the spirits of turpentine and rosin produced in the United States. The output marketed from Florida this year will amount to about ten million of dollars, while the aggregation of the business into fewer hands, whose interests have been mutual, has resulted in controlling the market price so as to enable the producers to get some adequate return for their investments of capital and labor to be better rewarded. And while we have had these gratifying developments in the naval stores industry, our production and shipments of phosphate have steadily increased, until now Florida phosphate is a factor that has to be reckoned with in fixing the price of the world's supply of this fertilizer. (Applause.)

GEORGIA.

Mr. Robert J. Lowry (of Atlanta, Ga.): From the Empire State of the South, rich in its resources, unexcelled in climate, where the hum of industry is heard, from the rugged foot of the Blue Ridge to the level pine forests of our Southern boundary, from this great Commonwealth we bring greeting and good tidings of peace and prosperity.

AGRICULTURE.

Georgia is a State of diversified industry, but in agriculture it is particularly prominent. The staples are corn and cotton, though our varied climate and soil make it possible to grow almost anything that is raised in any of the other States. In the southwestern part of the State we raise wheat, oats, hay and potatoes. Our fruits and vegetables, melons, sugar cane, tobacco, etc., are valuable products, yielding us a handsome return each year. The syrup made from our South Georgia ribbon cane equals that of the best refineries of New Orleans. In the matter of raising cotton, our product has increased about one-third in the last ten years. The present crop is estimated at about one and a quarter million (1,250,000) bales. Last year the cotton crop of our State brought about sixty million dollars, being one and one-half million bales. The cotton seed about eight million, besides the by-products, amounting to about twelve million dollars.

We are manufacturing the staple right where the raw material is produced, and where in 1880 the sound of the shuttle and the hum of the spinning wheel were heard, we now have large cotton factories with the latest improved machinery. Georgia used something over three hundred and fifty thousand (350,000) bales of the last crop in the manufacture of cotton fabrics in her factories. The total sum now invested in textile factories in our State largely exceeds thirty-five million dollars.

In 1880 there were only two cotton oil mills in the South. There are now about one hundred and twenty-five in Georgia alone, with an annual output worth over twelve million dollars. We have several hundred miles of coast. Along the coast we raise oranges, lemons and other tropical fruits. The tourist is greeted by the scent of sweet magnolias and cape jessamine as he travels through the southeastern section of our State. Orange blossoms, too, may seem to be an impossibility in Georgia, but believe me when I say that we feel the kinship with Southern California in respect to this industry of growing tropical fruits.

MINERALS.

The Piedmont region of our State abounds in minerals of all kinds, including gold, copper, lead, iron, coal, pyrites, manganese, ochre, asbestos, marble, granite, etc. Stone Mountain is a solid block of granite sixteen hundred and

eighty-six feet above the surface. We have large granite, marble and slate quarries in North Georgia, and these interests are very prosperous. With our navigable rivers and eight thousand (8,000) miles of railroad we have ample facilities for handling the product of our mines and manufactories.

NAVAL STORES, LUMBER, ETC.

The manufacture of naval stores, such as tar, turpentine, rosin, etc., is an industry in South Georgia which is yielding a large revenue each year. Nearly half of our State is covered with forests, the timber lands are being rapidly cut out, and merchantable stock shipped all over the country, as well as to foreign ports. The product of superior hardwoods and long yellow leaf pine is increasing every year.

MANUFACTURES.

Georgia is now among the foremost of the Southern States in her manufacturing interests. We have factories for the manufacture of cotton and woolen goods, sawmills, foundry and machine shops, tar and turpentine stills, carriage and wagon factories, brick, tile and terra cotta works, tanneries, paper bag factories; besides flour mills, copper and iron ware works, fertilizer plants, stove and furniture works, and, in fact, such a diversified list of manufactures as to make Georgia well nigh independent. We are rich in resources, and we have only to convert these into the manufactured articles of commerce, when the steady increasing demand for our goods makes an ample market and profitable prices. Oriental countries are fast becoming customers for the Southern output, and, when our proposed Nicaraguan Canal puts us on a competitive basis with Europe, the exports of the Southern States will exceed those of any other section. (Applause.)

SCHOOLS.

The Constitution of the State provides for the maintenance of a public school system, and it is therefore a permanent institution. The sum provided for and expended in the support of schools for the last fiscal year was about one and a half millions (\$1,500,000) of dollars. A late census by the State School Commissioner showed that of the total school population only three per cent. had never attended school. We now rank seventh among the States in point of illiteracy, and in 1890 we ranked third, showing a most marvelous progress. There is not a district anywhere within the confines of our State where a school is not in reach for at least five months in the year. It must be remembered that the Civil War left us with a large population of illiterate people, the freedman being almost entirely so. It must also be remembered that, notwithstanding nine-tenths of the taxes are paid by the white people, the negroes are entitled to the benefits of the same common school system as the white children. While we have not compulsory education in our State (and I do not favor such enactment) there is, nevertheless, a growing sentiment in favor of education, which to a certain extent subjects a man who does not educate his children to criticism. Our progress in matters of education has been rapid, and I am glad to say we continue to progress in this most important and indispensable feature of modern civilization. (Applause.)

CLIMATE.

Our climate is unexcelled. In middle and north Georgia the mean temperature in summer is 75 to 80 degrees. In north Georgia some of the finest specimens are to be found. Hard, sturdy mountaineers and strong, able-bodied, industrious farmers comprise the yeomanry of our State. Georgia is a pleasant place to live at any season of the year. We have essentially a temperate climate, have no long wet and dry seasons, and no direful epidemic decimating the ranks of our population. We live in a temperate zone, with a temperate climate, and with a people of temperate habits. (Applause.)

MORALS.

We are a law-abiding and hospitable people. The morals of the State are good. Aside from some isolated examples of moral depravity, we have an industrious population, who earn their bread in legitimate ways and augment their means only through the medium of honest toil. Our people endeavor to practice what we preach in our coat of arms—Wisdom, Justice and Moderation. We are, above all, a justice-loving people, and we believe, too, in wisdom and moderation governing in politics and religion, and in the handling of public affairs and issues.

BANKS.

We have in Georgia forty-six national banks, and two hundred and twenty-three State and private banks. According to the State Treasurer's record the assets of the State

banks are something over fifty million dollars. These have an aggregate capital and surplus of about twelve millions and deposits aggregating about thirty-eight millions. Our national banks have an aggregate capital of about five millions, and deposits about eighteen millions. There have been only two or three bank failures in the past ten years. Notwithstanding we have many prosperous banking institutions, the circulation per capita is much smaller than we would like, and there is ample room for the safe investment of capital. Money is in active demand. I know of no section of the United States which offers a more inviting and profitable field for the safe investment of funds than does Georgia. (Applause.)

IDAHO. (No response.)

ILLINOIS.

Mr. William George, President Old Second National Bank, Aurora, Ill.: Mr. President, Bankers and Bankers' Guests, By reason of the absence of Hon. Andrew Russell, of Jacksonville, Ill., and because through the good graces of the members of the Illinois Bankers' Association, the largest association of its kind in the United States—I happen to be its President—I am called upon to respond for Illinois. First, we are proud of our Illinois Association, which, through the efforts of such men as John L. Hamilton, Andrew Russell, August Blum, E. J. Parker, F. P. Judson, F. W. Tracy, D. A. Moulton and others, has to-day on its membership roll 900 banks out of 1,100. Soon we will annex the American Bankers' Association. Californians, Illinois is glad to be here; she rejoices in your prosperity, as well as her own.

A four year old boy said in my city recently: "Cats grow crossways, dogs grow crossways, too; all God's creatures grow crossways, 'cept peoples, and peoples grows upways." So Illinois and California are always growing upways. Like the other States heard from, Illinois is prosperous; labor is employed at good wages. The wage earner of Illinois is not dancing this summer of prosperity away, but is putting his money in the banks, where he can have it in days of adversity. It is no longer fashionable to hide it under the carpet or put it up the eaves trough. Our farmers and stock raisers are growing wealthy, and mortgage lenders have no place to put their money. Our manufacturing and mining interests are developed to a wonderful degree.

Since 1896 the deposits in the banks outside Chicago have increased ninety per cent. In the same time but two national banks outside Chicago have borrowed in New York, and one of these did it only to see if it could get the money. That gain of 90 per cent. represents wealth gained. How different from the wealth gained by corporate manipulation.

Last spring we were troubled somewhat by water from the heavens; lately we have feared the water from Wall Street, but we have good dams constructed and it won't hurt us. If not sufficiently protected, we can dam Wall Street some more.

In 1896 we caricatured the long-whiskered Populist of Kansas because he wanted the Government to construct warehouses to hold his grain, on which he wanted the Government to issue warehouse receipts to be the basis of money. To-day he has all the money he needs, and the populist is found in New York, and wants us to build warehouses to store his undigested securities against which to issue some kind of money.

Illinois has had its share of oratory on the question of elastic currency. I am reminded of the Lawyer O'Connor, who in my presence in the City Court of Aurora said: "Gentlemen of the Jury, the law is very intricate. Why, the learned Judge on the bench knows full well that the more he studies it the more stupid he becomes." But is it not our duty as bankers to read, study and consider, and finally decide the matter honestly and patriotically?

In closing, I quote the beautiful words I found recently in an old manuscript as fitting this occasion, and expressing the views of Illinois toward the Californians: "Happy have we met, happy have we been, happy may we part and happy meet again." (Loud applause.)

INDIANA.

Mr. Andrew Smith, of Indianapolis: Mr. President and Gentlemen of the Association, the Indiana Bankers' Association sends greeting to this Convention. Our association in the State of Indiana is in a most prosperous condition. With about six hundred banks in the State, we have a membership in our association of 417 in good standing. The people, as well as the banks in our State, were never more prosperous than at present. (Applause.)

INDIAN TERRITORY. (No response.)

IOWA.

Mr. Frederick Heinz, President Farmers' and Mechanics' Savings Bank, Davenport, Iowa: Mr. President, Ladies and Gentlemen, The banking conditions in Iowa continue to be favorable. Since last year about 25 additional banks have been organized, so that at this time over 1,200 are in existence, of whom over 700 belong to the Iowa Bankers' Association.

The deposits have increased some, although not so rapidly as heretofore.

The national banks on September 7, 1903, had \$28.90 of each \$100 in deposit of cash on hand, redemption fund and due from reserve agents. So far as known, all the banks have sufficient funds on hand for all legal requirements; the interest rate is firm. The year past has been favorable for agricultural products and for business generally, although in spots crops have suffered from excessive rain; but the prices being reasonably high, this year's output of good things to eat for man and beast will be many times the value of all the annual gold and silver output in the United States. As the average soil of Iowa is good and deep, and the Lord's sprinkling cans are, and have been for many years, in successful operation during reasonable intervals, we live in hope that the toil of our people and of our descendants will be abundantly rewarded for many generations. (Applause.)

KANSAS.

Mr. Edward Carroll, Cashier Leavenworth National Bank: Mr. President, I regret that I have been unable to prepare a speech, but the truth is I have been so busily engaged in enjoying the hospitality of San Francisco that I have been unable to do so.

I will say this, however, for Kansas: More history has been made in Kansas, probably, than in any other State in the last fifty years. Fifty years ago, when Horace Greeley crossed the continent and went through Kansas, he designated it as a part of the great American desert. That showed that poor honest old Horace knew more about philosophy than he did about farming. That part of the Great American Desert, as he called it, the western half of the State, produced this year from 35 to 50 bushels of wheat to the acre—land that eight years ago could have been purchased from a dollar to three dollars an acre. That beats handling stock in Wall Street. Thirty years ago the western half of our State was the battle ground for Indians; it was turned over to the howling of the coyote and the bellowing of buffaloes. To-day it is the garden spot of the world for wheat raising.

Kansas, it is said sometimes, has peculiar people. In some respects that is true. They are all original investigators. They are intelligent; they are highly so. In fact, the State spends more for primary education, I believe, than any other State of its population in America. Indeed, it is said that she has a little red schoolhouse on every quarter section of her beautiful prairies.

Now I know I have very little time to discuss the matter, it is such a great subject. It would require a book bigger than Webster's Unabridged to do it justice, and I would have to be endowed with the descriptive powers of Sienkiewicz or Marion Crawford to do it justice. But, in reference to business prosperity, I will say I have never known, in the many years that I have resided there, a greater prosperity within the borders of Kansas than exists at present. Her banks are prosperous. We have 650 banks in the State, and 530 of those banks belong to the National Bankers' Association. That is good evidence of the good sense of the Kansas banker. We have \$105,000,000 on deposit, or a fraction over \$70 per capita. That is \$70 for every man, woman and child in the State, a magnificent showing for a purely agricultural State.

A few years ago Kansas, it is said, was mortgaged for many times the value of her farms. I am glad to say that that condition no longer exists. She is practically out of debt, her farmers are out of debt, and the State itself is in the best financial condition of any State I know of west of the Mississippi River. By a wise provision of her Constitution the bonded indebtedness of the State can never exceed a million dollars. That amount she has to-day in her sinking fund and her treasury vaults to take it up when it matures.

Much is said of gold and silver. My friend from Arkansas has referred to the fact that that State has a million bales of cotton worth fifty million dollars. Kansas has 95,000,000 bushels of wheat, and we expect to realize \$75-

000,000 for it. I have not the statistics as to the corn crop, but I believe it is estimated at 80,000,000 bushels.

There is just one other idea. The granger of Kansas is not bothered with trusts, or labor strikes. He is utterly indifferent to organized operation on the one side that menaces this country—

The President: The time of the gentleman has expired.

Mr. Carroll: A gentleman on the cars asked me if Kansas had any drawbacks. I suppose you gentlemen may have the same question in your minds, and I will answer you as I did the man on the cars. She has no drawbacks, at any rate none that a loyal Kansan will plead guilty to. (Applause.)

KENTUCKY.

Mr. Henry C. Walbeck, Cashier German Insurance Bank, Louisville, Ky.: Mr. President, In the absence of Colonel Powers, I have to say that our State is prospering in its manufacturing and mining industries; that its asphalt beds are inexhaustible; that the crops of wheat and oats and blue grass are below the average on account of drought. Our corn, hemp and white barley is all above the average. (Applause.)

LOUISIANA.

Mr. H. H. Youree, Commercial National Bank, Shreveport, La.: Mr. President, I do not know that there is much left to say. Originally, Arkansas, as well as many other States, belonged to Louisiana, they were part of our State. We are prosperous in Louisiana. In New Orleans negro labor has gotten eight dollars per day for six hours' work. Even then they struck for more. That looks as though we ought to be pretty prosperous. Eight dollars for six hours' work is pretty good.

Louisiana raises more rice than any other State, and also more sugar. It also produces more sulphur than any other State in the Union. There is a general condition of prosperity all over the State. Our Iowa brothers have come down there and taken up the rice producing, and they find they can produce it about as cheap as they can produce wheat, and they get four cents a pound for it. So you see we have got a State, even after they have taken away Arkansas and all the other States, which amounts to a good deal. (Applause.)

The Secretary: For several years we have had several members of our Association in the Hawaiian Islands, but at this convention for the first time, we have the pleasure of having one of those members present. Mr. Waity, of Hawaii, will respond to Hawaii.

HAWAII.

Mr. H. E. Waity, of the Banking House of Bishop & Co., Honolulu, Hawaiian Islands: Gentlemen of the Bankers' Association, I was not familiar with the methods of this calling of States, and I have no speech prepared. I did not know that we would be called upon, but I thank you for this opportunity to be heard.

We have here two other bankers from Hawaii in addition to myself, and it has not been my good luck to consult with them, but in hearing the alphabetical call, and in realizing that heretofore there has been nobody to respond for the letter "H," I felt that it was proper, now that we have a Territory of Hawaii in the Union, that the "H" should be added to the list.

I overheard the remark a few moments ago that, judging from the very favorable reports from the States and Territories so far heard from in the Bankers' Association, it might be inferred that bankers are not as conservative as they are generally supposed to be. I do not wish to attempt, gentlemen of the convention, to tell you of the grandeur of Hawaii. I only want to say to you now that we extend to you a most cordial invitation to come over to the islands and see us for yourselves, investigate and learn what Hawaii is—your new Territory, over which, we are proud to say, the Stars and Stripes now wave. We say to you to come and see us and learn for yourselves what we are and what we are doing.

Of course we have to admit that sugar is king, and we can say that we produce a great deal of sugar. Our export of sugar is growing at the rate of about fifty thousand tons a year. This present crop will probably reach 400,000 to 420,000 tons of sugar. The next crop will be still larger than that, because it is growing. But, as I said, I will not attempt to tell you in this brief speech how great we are or what our resources are. I only wish to extend to you a cordial invitation to come to see us. Connecticut on the one side has given us a report of what she is doing. We are a long way from Connecticut; we are away on the other side.

Our island of Hawaii is the largest one of the group, and it is just about the size of the State of Connecticut. It makes about two-thirds of our area. I will not attempt to give you statistics or figures in regard to the islands off-hand. We hope to be a State some time; we aspire to great things down there, and if you will pay us a visit and give us a call we will all welcome you, and I can say that I am sure you will be interested in what you see—very much interested—and that we will give you the most cordial welcome whenever you come. (Applause.)

MARYLAND.

Mr. James R. Edmunds, of the National Bank of Commerce, Baltimore: Gentlemen, I promise not to consume over five minutes.

It is perhaps well known that the people of Maryland are a conservative people—that our banks partake of the conservative character of the people, and that very few failures have occurred among the banks of Maryland for over half a century. It is with pardonable pride, we think, that we point to the splendid record of the banks of our State, which, while conservatively managed, are ever ready to foster and encourage legitimate business.

Baltimore, our chief city, has become one of the great financial centers of the country, and its capital has been freely used not only to build up business enterprises within our own State, but also those of other States.

During the last ten years the financial institutions of Baltimore, including Trust and Fidelity Companies and Savings Banks, have increased their funds as follows:

Capital	\$13,000,000
Surplus	23,000,000
Deposits	61,000,000

a total increase of.....\$97,000,000,

making the aggregate amount at the present time on these accounts nearly \$200,000,000.

Baltimore has been called the gastronomic capital of the country, contiguous as it is to splendid trucking farms and being supplied with the delicacies of the Chesapeake Bay and its tributaries, such as the canvas back duck, the diamond back terrapin and the delicious oyster, all contributing not only to the enjoyment but to the prosperity of its citizens. It has been my good fortune to attend a number of the Conventions of this body, and to listen to the delegates extol the virtues, the advantages and resources of their respective States in superlative terms. Mr. President, State pride is a laudable thing. We in Maryland believe in it and have, perhaps, our full share of it. But of all the States of the Union State pride is perhaps strongest in our sister State, Virginia. Many of its citizens have settled in Baltimore and are among its most honored and useful citizens, but they never lose their love for and their exalted belief and pride in the Old Dominion. Let me give an illustration which you, Mr. President, will, I am sure, appreciate.

When the noted evangelist, Mr. Moody, was holding religious meetings in Baltimore a well-known sporting gentleman professed conversion, and like others of his class was put to work by Mr. Moody in the after meetings. One afternoon this new convert approached a gentleman who was in the act of leaving the room and asked, "Are you a Christian?" "Sir?" said the gentleman. "Are you a Christian?" "No, sir! I am a Virginian."

The Maryland bankers enjoyed last month with the bankers of the District of Columbia the unique experience of a joint convention on board a palace steamer, while sailing on the historic Potomac River between Washington and Old Point Comfort and return. It was our good fortune to have with us on this occasion the Secretary of the Treasury, the Comptroller of the Currency and the Treasurer of the United States. These distinguished gentlemen favored us with addresses on subjects of vital interest to bankers and to the country. Amid the fears and anxieties incident upon the financial situation, it was a comfort to hear the strong words from the highest officers of the United States Treasury, showing that there was no occasion for and the conditions did not justify the fears of a money panic. In listening to those timely words we felt a sense of security unlike the feelings of those gentlemen of Wall Street, who, while trying to assure one another amid the falling of stocks that there will be no panic, remind us of the ducky who was running away from a dog. His master said, "Sam, what are you running from that dog for? You know he won't bite." Sam replied, "Yes, Massa, I know he won't bite; you know he won't bite—but do the dog know it?" (Applause.)

MASSACHUSETTS. (No response.)

MICHIGAN.

Mr. R. Kempf, President Farmers' and Mechanics' Bank, Ann Arbor, Mich.: Mr. President, Michigan is enjoying a period of great prosperity. Her banks are flourishing; her deposits increasing. Michigan's products are so varied that the word failure is unknown. Her citizens are industrious, progressive, prosperous, happy and patriotic. Our cereal crops are excellent and very abundant. Our fruit crop was never better.

During the past six years Michigan has made great progress in the manufacturing and raising of beets and beet sugar. Her produce in this department leads all other States in the Union. We have manufactured in the last year nearly 4,000,000 barrels of salt. Our salt deposit extends over some 250,000 square miles, carrying a vein of from 40 to 150 feet in thickness.

Our copper mines hold no mean position in their production of copper. One mine alone has paid nearly \$100,000,000 in dividends, and has copper enough in sight to pay \$1,000,000 or \$2,000,000 more. Our iron mines are inexhaustible in mineral, supplying as they do the great steel mills of Pittsburgh and other points with raw material.

Another infant industry that is being rapidly developed is the manufacture of Portland cement.

Our marl beds are of vast extent and are being rapidly developed, one mill alone turning out some 5000 barrels of Portland cement per day.

Our coal beds extend over thousands of acres, and within the near future will produce coal enough to supply all of our home wants as well as that of neighboring States.

In the production of manufactured lumber we occupy a prominent position. Our mineral springs are renowned and noted over the entire length and breadth of our land, their water restoring the lame and worn-out in body and mind to health and happiness. The annual tonnage passing through the Detroit River exceeds the tonnage of the great port of Liverpool, over three times the tonnage of the Suez Canal, and it also must be borne in mind that the Suez and Liverpool ports are open the 365 days in the year, while our ports are closed four and half months, being icebound for that length of time.

But the great pride of Michigan is her educational system, which is unexcelled.

The University of Michigan has just celebrated her semi-centennial, and it is one of the greatest and grandest educational institutions of our land. Her attendance numbers from 4,000 students, and graduates annually six or eight hundred, who are to be found in every State, filling positions of honor, of trust and of usefulness.

It may be well to remember that it was the University of Michigan who first opened her doors to our daughters, placing them on an equal footing with our sons in obtaining an education, fitting them for the earnest duties of life, sweeping aside the fossilized idea of woman's inferiority to man. We believe Michigan to be one of God's best, greatest and brightest creations—a jewel in the diadem of States. If you wish to see a beautiful country and a happy and prosperous people come to Michigan and look around you. (Applause.)

MINNESOTA.

Mr. John R. Mitchell, Vice-President Winona Deposit Bank, Winona, Minn.: One of the advantages derived from these meetings of the American Bankers' Association, and by no means the least advantage, is the opportunity offered of comparing the business conditions in other sections with the existing conditions at home. Voicing the unanimous opinion of the Minnesota delegates, a more interesting and hospitable city in which to hold a convention than San Francisco could not have been selected. While a prominent writer has made the statement that stories are almost the only things in California which do not need irrigation to grow luxuriantly, it is our conviction that the stories or descriptions of this magnificent State have not been able to half describe what the eye can see.

Now, as regards business conditions in Minnesota, it would be a difficult matter to differentiate between the kind of prosperity existing there to-day and the prosperity elsewhere throughout the Union, as we have all kinds—industrial, agricultural and financial. But why should not prosperity exist and continue to exist indefinitely in this great country of natural resources, wealth, industry and boundless possibilities—in this wonderfully productive country? It is entirely a business proposition, in my judgment, staring the

country as a whole directly in the face. If it is handled in a business-like way our prosperity will continue *ad infinitum*. Take the State of Missouri, for example, and a continuance of the present prosperity there to-day is absolutely assured.

Why? Because we are a producing State, and our continually increasing products are absolute necessities of life for not only the remainder of the Union but for the entire world, and they are wanted at a price that affords the producer a fair profit. Such is the future of every agricultural State. The continuance of the prosperity existing in the United States as a whole unquestionably depends on its ability to continue to market abroad at a fair profit its surplus manufactures, which are rapidly increasing. A solution of this proposition does not rest with the American Bankers' Association, I admit; it is one of as much importance, however, as a revision of our present banking and currency law is to every member of this Association. It is a question that must be decided by national legislation, but with the assistance of the entire business community, regardless of party or political prejudices. In order to illustrate the existing prosperity in Minnesota, I might quote statistics here which would rival the familiar and remarkable report on what the hens of our neighbor, Iowa, have been able to do, but I will not weary you with statistics. However, to be brief, I can say that our combined deposits in National and State banks are approximately \$135,000,000 as compared with \$100,000,000 in 1901. The deposits in our savings banks have increased from \$14,217,000 in 1901 to \$18,424,000 in 1903. The value of the farm products of Minnesota annually is about \$165,000,000. The value of butter for the year ending September 1st, 1903, was \$17,500,000. Our flour mills have a daily capacity of \$153,000 barrels of flour, which are capable of making 41,000,000 pound loaves of bread. Just think how many mouths each day that amount of bread would supply. The production of our iron mines last year amounted to 15,384,000 tons, which makes Minnesota the greatest iron producing section in the United States, and also in the world. A State or individual country becomes known abroad largely by what it has done, is doing and what it is able to do, and I dare say that no State represented at this convention is better known on the Pacific Coast by the men it produces than Minnesota. To the untiring energy, the almost superhuman foresight of only one man of Minnesota must be credited more than any other one man, the already enormous trade with the Orient, with its limitless possibilities.

The banking conditions in Minnesota were never better than they are to-day. While the demand for money is all that the banks could wish for, every demand from legitimate sources will be taken care of, and the large crop will be comfortably handled.

In conclusion, the only intelligent way in which to get a comprehensive idea of the enormous resources of the great State which I have the honor of representing is to make a personal investigation of it, and Minnesota is anticipating the time when it shall have the pleasure of holding the Convention of the American Bankers' Association within its confines.

On behalf of the Minnesota delegation to this Convention I wish at this time to express our great appreciation of this most hospitable reception tendered by the bankers of the Western metropolis, San Francisco. (Applause.)

MISSISSIPPI.

Mr. J. J. White, President McComb City Bank, McComb City, Miss.: Mr. President, I simply have to say that our State is forging to the front as fast as any State in the South. It is progressing financially, agriculturally and industrially. Three-fourths of the banks in the State of Mississippi belong to the American Bankers' Association, and I have this to say about the solidity of the banks in Mississippi that we have not had a failure, not even in the panic of 1873, except one little one in the upper part of the State that did not deserve the name of a bank. Still, our banks have all been and are still, good, solid institutions.

Of course, Mississippi is principally an agricultural State. We raise the largest corn crop this year that we have done for a number of years. There is not a farmer in the whole State but what has all the corn he needs, and some to spare for his neighbors. The cotton crop is not the largest that the State has raised, but it will be a fair crop. Of course, at this time, cotton is bringing a good price.

Industrially, we are making considerable progress. We are building up manufactures; not only oil mills, but cotton mills are being established all over the State. In other words, we are beginning to manufacture our cottons in the fields, as our Georgia neighbors are doing. We are making consider-

able progress in that line, and, on the whole, Mississippi is getting along well in every way. She has a great crop of fruits, and vegetables she sends north every spring.

I am glad to say that the State is in a progressive condition generally. (Applause.)

MISSOURI.

Mr. W. Daviess Pittman, Bond Officer Mississippi Valley Trust Company, St. Louis, Mo.: Mr. President and Gentlemen of the Convention, I count it a very happy privilege to appear before you in this Convention to respond at the roll call when the name of Missouri is mentioned. I assure you, gentlemen, that we have the grandest of all the States in the Union, notwithstanding all that has been said to the contrary. (Applause.) We raise cotton in the South, we raise corn and wheat and hay and oats and all the fruits, and, indeed, my friends, we raise, better than any other State in the Union, everything. I am indebted to a Californian for this thought: that Missouri is one of the greatest States in the Union in which to raise children. I was talking to a Californian only the other day when he reminded me that he had raised a family here in California, and he said that he regretted that he had not raised them back in Missouri, where he was raised. I am very much like the Presbyterian minister. It mattered not what text he preached from, he always concluded on the subject of predestination. I want to say to you that to Missourians, and especially one from St. Louis, it matters not before what convention he appears, it matters not what subject is being discussed, he will tell you concerning the enterprise we now have before us, which is the greatest and grandest the world has yet undertaken. I refer to the World's Fair, the celebration of the Louisiana Purchase, and I want to say to you that Missouri not only sends her greetings to you, but she sends as well a cordial and earnest invitation to come there and enjoy our hospitable board. I want to say we have had the experience from Chicago and Paris and Omaha, and all the other cities that have given World's Fairs, and I believe I speak the truth when I say that we will combine in this one the greatest and the grandest of all such achievements.

I want to extend to you, therefore, a cordial invitation. We have heard it on all sides that St. Louis has so many conventions going there that she ought not to seek any more. I am reminded of a gentleman who had raised nineteen children, or, rather, was raising them. He went out and adopted two more. He said he had found them so easy and so pleasant to raise, he had found the nineteen so easy to raise that he wanted two more anyway. And I want to say to you, friends, when we extend to you an invitation to visit our city next year in your national convention—I want to say that you will find it very easy and very pleasant and very hospitable to all concerned, and I invite you to come and share with us the glories of that magnificent exposition.

Our friends have been very frank here. They have said it is impossible to speak about the glories of California without lying, but I want to say to you that when you come to St. Louis and witness the miles of its buildings that are now rapidly taking shape, when you see the men and women there from all parts of the earth, and their mode of living and that sort of thing; when you return home you will be like the Queen of Sheba, who, after visiting the court of King Solomon, returned and told about it, and then said the half had never been told.

So Missouri sends you greeting and an invitation to be with you next year, and see the whole world which will be within our domain. (Applause.)

MONTANA.

Mr. W. Lee Mains, Assistant Cashier First National Bank, Billings, Mont.: Mr. President, I am told that Senator Vest, in one of his speeches, said that Montana was the daughter of Missouri, and so the remark of Brother Pittman, I think, will cover Montana. I will say that with a population of 250,000, we have in our banks \$250,000,000. (Applause.)

NEBRASKA. (No response.)

NEVADA.

George W. Mapes, President Washoe County Bank, Reno, Nev.: Mr. President, it is said that Nevada does not produce anything but sage brush. That may have been true forty years ago, but it is not true to-day. While it is true that our State is small in population as compared to the Eastern States, yet we produce an abundance of live stock to supply the markets of this city, Chicago, and even New York. Our mines are just coming to the front. We have some of the richest mines in our State which have yet been undeveloped. They run up into the thousands in numbers.

As for our schools and universities, they will compare favorably with those of any other State of the Union.

I must contradict my friend from Missouri in regard to raising children. We had one mother in our State that I know of who had sixteen children, and growing up, they weighed over 200 pounds each. I want to add another word, and that is that traveling through the Eastern and Western States, as I have, I believe Nevada produces the prettiest and most generous and the brightest women of any of the States in the Union. (Applause.)

NEW HAMPSHIRE. (No response.)

NEW JERSEY.

John J. White, Atlantic City: Mr. President, under the head of new business to-morrow—which I understand is the proper place to bring it up—I shall have a greeting from the State Bankers' Association of New Jersey which I trust and hope will be acceptable to you.

NEW MEXICO. (No response.)

NEW YORK.

Mr. Stephen M. Griswold, President of the Union Bank, of Brooklyn: Mr. President and Gentlemen, I have the honor to report to you that we held our tenth annual convention last month at Saratoga Springs. The attendance was large; every part of the State was represented, and in all respects it was one of the most successful conventions we have held. The work of this American Bankers' Convention, our State Association and the group meetings are producing good results. We are working for reform in the banking business all along the line. It is producing a friendly and a cordial feeling not only among our country banks, but among the great banks of our cities. The past year has been one of depression, securities have fluctuated; some have declined. But we feel that that troubled condition of the financial world is about passing away. With the earnings of our railroads increasing and the labor troubles being settled, we feel that we are on the even of prosperous times. The unity and the strength and the fellowship that exist among the banks of our great States will stand at all times against financial panic and ruin. (Applause.)

NORTH CAROLINA.

J. G. Brown, President Citizens' National Bank, Raleigh, N. C.: Mr. President, it has often been my privilege, and it is always my pleasure, to say a word in behalf of my native State. Upon this occasion, however, with so beautiful an object lesson before us, I should say it is necessary only to say that North Carolina is but a miniature of this magnificent State of California, with all her natural beauty and natural wealth. You have heard and seen and felt of the golden glory of California's sunshine, of the vigor of her air, of the marvelous beauty of her fruits and flowers, and her fertile valleys and the grandeur of her towering peaks, the fertility of her soil and the sweet hospitality of her people. All these things may be found in North Carolina. (Applause.)

NORTH DAKOTA. (No response.)

OHIO.

J. J. Sullivan, President Central National Bank, Cleveland, Ohio: Mr. President, I only appear before you this morning because the gentleman selected to respond for Ohio does not happen to be in the hall, and not desiring that Ohio should appear in default, I am a sort of self-constituted substitute for the old gentleman who is prepared to speak for Ohio.

Appearing before you, then, in this manner, and under these circumstances, it is needless to say to you that I have no statistics to give you of the magnitude of the State from which I come, or the success of its industries. Neither have I poetry at my command by which I might amuse you in speaking for Ohio. I will say, however, that business conditions are unusually prosperous. In the financial situation there are no weak spots. We have 810 banks in the State of Ohio, with aggregate deposits of nearly \$450,000,000. Our banks have good demand for money, and they are experiencing a high degree of prosperity. Of our 810 banks, 620 are members of the Ohio Banking Association. The interests which our bankers and our people manifest in the American Bankers' Association is evidenced by the fact that we have with us here 125 of the bankers of Ohio and their friends.

We take an active interest in everything pertaining not only to the Bankers' Association of Ohio but also to the American Bankers' Association. We have a high regard for the banking fraternity in our State, and we have emphasized that regard recently by nominating one on one of the tickets

for the Governorship of Ohio, the gentleman who served us so well as your President, Myron T. Herrick. (Applause.)

Not only have we nominated Mr. Herrick, but we also expect to elect him.

I could talk to you at great length about Ohio, but I am sure it is unnecessary. Ohio has had an existence of more than a hundred years, and I believe that I can say truthfully in regard to its production and its general standing as a State it is not surpassed by any State of the Union. (Applause.)

If, indeed, a State is measured by the character of its great men, I believe that Ohio will not suffer by comparison with any of its sister States.

Now, my friends, I have talked much longer than I thought I would, and I want to say one word further, and that is this, that I am much delighted with the statements I have listened to regarding the business conditions in the different States of the Union. It is gratifying to us to meet gentlemen of intelligence and grand moral worth from different States of the Union, expressing as they have the prosperous condition which seems to exist everywhere. (Applause.)

Thereupon, at one o'clock, the convention adjourned until to-morrow, Friday, October 23, 1903, at 9.30 o'clock A. M.

THIRD DAY'S PROCEEDINGS.

Friday, October 23, 1903.

The Convention met at 9.50 o'clock A. M., Mr. Caldwell Hardy presiding.

Prayer by the Rev. Bradford Leavitt, Pastor of the First Unitarian Church, of San Francisco:

PRAYER.

O Thou, unto whom all hearts are open, all desires known and no secrets hidden, we thank Thee for the promise of this new day. While we have slept, earth has rushed in its awful course around the sun, with great fires under us, great water about us, and great storms above in the upper air. But Thou hast kept them back by Thy strong arm, and we have rested under the shadow of Thy love. The bird has rested on the branch out in the darkness; the little flower has rested in the grass, and we in our beds, also safe under Thy protection. The bird will look to Thee to-day for its morsel of food; the flower will look to Thee for its fresh raiment; may we look to Thee for all the needs of the body and of the spirit. Send Thy blessing upon us as we have met here, and upon the purposes of this meeting: send Thy blessing upon the homes we have left to come here, and upon those who are dear to us who may be separated from us. And teach us, Almighty Father, that whether we are called to serve Thee by sweeping a room, or preaching a sermon, or acting in the great matters of finance, that we are all in the service of God and in the service of men, and doing something toward the bringing of Thy Kingdom on earth. These things we ask, not for the worthiness of ourselves but humbly in the name of Him who has taught us to pray unto Thee, Jesus Christ, Amen.

The President: We will resume the call of the States that was unfinished at the adjournment yesterday evening.

OKLAHOMA.

Mr. H. H. Watkins, of the Citizens' Bank of Enid, Okla.: Mr. President, ladies and gentlemen.—The bountiful crops, large bank deposits, good dividends and the general prosperity of our Territory are so well known that for me to say anything regarding our resources would be superfluous.

However, I will say that we have 39,000 square miles, a population of 600,000, and 13,000 public schools, more than 15,000 pupils, and more miles of railroads were constructed in Oklahoma in 1902 than in any other State or Territory.

While attending this convention and taking advantage of the many opportunities afforded us of seeing this beautiful city by the San Francisco bankers, my attention has been called to the many magnificent monuments erected to commemorate the daring and noble deeds performed and discoveries made by her pioneers, and while I most heartily favor the erection of such monuments, yet I think one of our great men has been overlooked. I do not know who he was, or where he lived, but I am in favor of erecting a monument to the man who first discovered interest. We are living in a Territory, although we have all the requirements of Statehood; yet through the actions of politicians, or otherwise, we are unable to get into the Statehood column. I would like to see this convention pass a resolution favoring the immediate Statehood for the Territories.

OREGON.

Mr. Benjamin I. Cohen, President Portland Trust Company, Portland, Oregon: Mr. President, and gentleman of the convention.—As you know, Oregon lies immediately

north of California, and has many of the natural and other advantages that California has. Oregon believes in sound finance and in stable values. We feel proud of our State. We would like to have you visit us, and we hope as many of you as can do so will pass through Oregon on your way home. I can assure you of a hearty welcome. (Applause.)

PENNSYLVANIA.

Mr. Emerick, of the Susquehanna Trust & Safe Deposit Co., Williamsport, Pennsylvania: Mr. President, I wish to state that Pennsylvania speaks for herself, or rather her industries speak for her. The States of this Union, and all the civilized countries of this world, are bound together with an iron band. This iron band is manufactured in the State of Pennsylvania, where iron is king. We are proud that we hold the key to the king of industries. Her citizens have been prosperous beyond measure, her industries have increased, her bank deposits have increased wonderfully in the last few years. I have not the statistics at hand, but I know that that is the case. Pennsylvania is enjoying her share of prosperity that it is the privilege of this country to enjoy, and we feel that it is unnecessary for us to say anything more for our Keystone State. (Applause.)

RHODE ISLAND. (No response.)

SOUTH CAROLINA.

Mr. John F. Ficken, of the South Carolina Loan & Trust Co., of Charleston, S. C.—Mr. President, I regret very much that the gentleman who was to speak for South Carolina is not here. I am now charged with that duty, and feel somewhat awkward in attempting to reply. But I cannot let the State go by default, and therefore I suppose I might occupy a few minutes in stating some things in reference to our State.

I am emboldened to do this, because after listening to the distinguished representative of Arkansas yesterday, and hearing what he had to say for that great State, I feel as if I might say a few words for our little State. It is a long way from here, over three thousand miles, and ought to be heard from.

Now, what shall I talk about? This is a bankers' Convention, and I suppose we ought to say something about finance. Well, I can say to you that our banks are all in good condition. Our banks are healthy and prosperous. We are a small State, it is true, and when I think of that, and then think of the great States that have been represented on the floor here, great as regards population and finance and ability to cope with the world, I am reminded of an anecdote which possibly all of you have heard, but it is very forcible and I will repeat it. It is the story of the raw recruit and his sergeant. The new man was a tall and strapping fellow, who stood high up in the air, and the sergeant who drilled him was a diminutive man. Of course, the sergeant was glad to exercise his authority over the big fellow. He looked up at this great piece of humanity and said, "Hold your head up." The recruit raised his head. "Hold it higher." He raised it still higher. The sergeant said, "Higher than that." So he kept raising it. The sergeant said, "Now, keep it so." The great big fellow looked down at the sergeant and said, "Shall I keep it so?" "Yes," said the sergeant. "Very well, sir," said the recruit, "but if I keep it so I will never see you again." (Laughter.)

So we are reckoned as a small State. South Carolina is an agricultural State. We plant cotton all over the State, from the Atlantic Ocean to the Blue Ridge. Every county in the State has its cotton, which it sends to the market, and which is our main crop, and helps along.

Now, I do not want to boast, but I will tell you a fact about our little State. When the last count was taken South Carolina led all the States of this Union in the amount of capital invested in cotton factories, except Massachusetts. (Applause.)

That is what our little State is doing. When you remember that after the close of the Civil War we were actually prostrate—why, all over the country it was designated as the prostrate State—what have we done? Our people recognized the situation and turned their backs upon the past, and they have opened up this new field and gone into industries, not only to plant and grow the cotton, but weave it into cloth. That has brought prosperity. (Applause.)

One or two other facts I will allude to if I have time. If you look at your maps you will find that the shortest distance from San Diego, Cal., to the Atlantic Ocean is to Charleston, S. C. If you will look again at the map you will find that the shortest distance from Chicago to the Atlantic Ocean makes you come out at Charleston, S. C. In-

deed, we were so ambitious in our little State that we organized what we called "the three C's road," Chicago, Cincinnati and Charleston. We were so ambitious that we wanted to build a double track. It has not been built yet, but that is the shortest distance between those cities and we hope to see it done.

Those are some of the facts that I wish to present to you. We do not say it boastfully, but we have a becoming pride in our old State. As you know, it was one of the original thirteen States. The city of Charleston is two and a half centuries old, and it is a beautiful city. At that point the United States Government has established a navy yard. We invite you all to come and see us, and if you come I believe you will want to stay with us, will want to be a part of our community. I can assure you of a warm welcome. (Applause.)

SOUTH DAKOTA. (No response.)

TENNESSEE. (No response.)

TEXAS.

Mr. A. V. Lane, Vice-President National Exchange Bank, Dallas, Texas: Mr. President, Ladies and Gentlemen of the American Bankers' Association.—Through deserts and o'er many a snow clad mountain peak, along two sinuous bands of gleaming steel that bind the fertile fields of Texas to this lovely land of treasure, fruits and flowers, I come with greetings most sincere, from the bankers of the Lone Star State to those of you assembled here in this city by the western sea, with its ever open Golden Gate, through which the traffic of the once mysterious and legendary East is jostled, as it passes in by the surging mass of surplus products of the greatest commercial nation in the world, seeking an outlet among the countless millions that lie just beyond our still more western boundary, but late established by the prowess of our heroes' arms. (Applause.)

I come from a State whose history is unique, and, withal, most glorious, a State whose people have felt the benumbing influences of Mexican inanity, the crushing power of Spanish cruelty and despotism, a State of which it has been said, "Thermopylae had her messenger of defeat, the Alamo had none." But glorious as is the past, her people look not to the past; their path is onward, and their eyes are fixed upon the rising sun of future progress and achievement. A State whose climatic conditions and varied industries are such that it is almost impossible for any calamity to hurt all of it at once. A State whose resources have just begun to be understood and whose ultimate development is beyond the most vivid imagination of even its most loyal inhabitant. But I must not allow myself to be led into statistical detail.

About two years ago I had the honor of being called on at a banquet of the Louisiana Bankers' Association for a talk on Texas. I gave them a few plain, unvarnished facts; reminded them that it is about the same distance from Chicago to Texarkana in East Texas as from Texarkana to El Paso in West Texas, or from El Paso to San Francisco; told them that we raised almost one-third of the cotton crop of the United States; told them of our lumber, rice, oil, etc. You really cannot exaggerate in talking about Texas. But, do you know, I have had a painful impression ever since that about the only crop I convinced my hearers we raised in unusually large quantities was a long and virile list of lineal descendants of that aged couple made notorious by Holy Writ, one of whose names began with A and ended with S, the other with S and ended with A; so that, one beginning where the other left off, together they held a corner on the prevarication market. So I shall content myself with saying, "Come and see." You will find a hospitality as broad as the State's own vast expanse, and a citizenship so proud of their beloved land that the busiest one among them will be only too glad to take a day off, or a week off, to show you and to tell you something of its wonderful resources. Come, I say, and see for yourselves. (Applause.)

UTAH. (No response.)

VERMONT. (No response.)

VIRGINIA. (No response.)

WASHINGTON.

Mr. Jacob Furth, President of the Puget Sound National Bank, Seattle: Mr. President and Gentlemen of the Convention.—I listened with a great deal of pleasure to the gentlemen who spoke on behalf of their States. I admired their loyalty to their respective States, and the description of their various resources was most interesting. I have been asked to respond to the call of our State; the State of Washington, although a young State, shows health and vigor.

Twenty years ago the State of Washington had only three

small towns, the largest of the three had then about five thousand inhabitants. To-day that city has a greater population than the entire State had at that time. We now have five large cities—Seattle, with a population of 140,000; Tacoma, 80,000; Spokane, about the same number, and Everett and Whatcom, each with 20,000. The cities of Seattle, Tacoma, Everett and Whatcom are situated in the eastern portion.

The resources of the western part of Washington are varied. We have timber that cannot be surpassed in any section; we have coal, iron, granite and other mining industries. Our salmon fisheries and salmon canneries are the largest in the world. We export lumber and flour to South America, Australia, China and Japan. Our fish is exported to England principally. We raise hops in large quantities. I have known one field of hops to produce from fifteen hundred to two thousand pounds per acre. We have oats that are equal, if not superior, to any country.

The eastern part of the State is the farming section. The production of wheat and barley is marvelous. We export wheat to England, and the cattle that are raised in that section of the State are sent to Omaha and Chicago to be distributed all over the country. The fruit raised in that section is shipped East, and is said to bring the highest prices.

The limited time allowed me in which to describe our State compels me not to go further into details. What I have said will be sufficient to give you an idea of the prosperous conditions existing in the State of Washington, and if any one of you gentlemen doubt, I would advise you to visit us on your homeward journey. I am confident that any one visiting the State of Washington will be repaid for his trouble, and the veracity of my statements will not be questioned any further. (Applause.)

WEST VIRGINIA.

Mr. E. M. Gilkeson, of the Second National Bank, Parkersburg, W. Va.: Mr. President and Gentlemen of the American Bankers' Association.—Our time is limited this morning, and I shall not tax your patience to any appreciable extent. I simply desire to submit a few facts and figures in reference to West Virginia—by the way, one of the best all around States in the Union.

West Virginia's natural resources have but fairly begun to be exploited. In the production of white sand oils she ranks first among the States of the Union. In natural gas she produces the largest amount of any State, and exports it very largely to Ohio and Pennsylvania.

She produces a great variety of woods, and in hard woods has the largest production of any State.

Her nearly 16,000 square miles of bituminous coal area are destined to make her the leading bituminous coal producing State. Already she ranks third in the production of bituminous coals, and it is a question of but a few months until she will surpass Illinois and commence to overhaul Pennsylvania in the production of bituminous coals.

Her great variety and the wonderful richness of her coking coals have already made her the second coke producing State of the Union, and she is destined soon to pass Pennsylvania and to take first rank in the production of coke.

She is rapidly becoming the leading glass manufacturing State, and is destined to the leadership in this particular industry.

West Virginia has a larger area of blue grass territory than her sister State which boasts of the distinction of being the "Blue Grass State," and the value of the agricultural, horticultural and animal industry of the State last year exceeded the value of the combined output of her mineral products, great as they were. West Virginia is becoming one of the leading fruit States of the Union, while her long fleeced wools have for many years been the premium wools of the country.

The iron industry has also been an important one in the northern panhandle, but is becoming more generally distributed over the State; and in pottery and iron working West Virginia is taking a very prominent position.

The value of her clay products exceeds that of any other Southern State, and is rapidly increasing.

Her variety of climate and soils, and her nearness and accessibility to the markets, make her situation especially advantageous agriculturally, as well as in the marketing of her great mineral wealth.

Among her natural resources referred to, but worthy of mention, are her numerous and widely distributed thermal and non-thermal mineral springs. Nature has been very

prodigal in giving her every variety of springs for the healing and blessing of mankind.

As a State, West Virginia owes no debt and has a cash surplus in the treasury.

We have a refined, hospitable and happy people. Those seeking new homes or capital seeking investments cannot find a more promising land than West Virginia.

Come and see us, and be assured we will give you the right hand of fellowship. (Applause.)

WISCONSIN.

Mr. John M. Holley, State Bank, of La Crosse, Wis.: Mr. President, Wisconsin needs no encomium, although, I assure you, she is worthy of the highest that could be passed upon her. It is her misfortune, not her fault, that she comes last in the list of States, and therefore must content herself not with a statement of her resources and advantages and wealth, but must simply bear a message of greeting to you. It would require a book to tell all Wisconsin's merits, and her greatness and prosperity; possibly all the world could not contain the books that might be written about her. You would need to get up early and sit up late, and be possessed of a past master's art in the use of the figurative and the embellishment of words and the superlative, to do her justice, and to give her a proper place in the gallery of picture photographs that have been placed before us by her sister States.

Therefore, since the overwhelming hospitality of our entertainers has prevented the first and the speaker is not competent to use the latter, Wisconsin's greeting must be in simple words—we say simply that she remains true to those things that make for the best in education, in morals, in commerce, in manufactures and in finance. (Applause.)

WYOMING. (No response.)

GREETINGS TO FRANK W. TRACY.

Mr. William George: Mr. President, if it would be proper, I wish to call the attention of the Convention at this time to the serious illness of Mr. Frank W. Tracy, of Springfield, Ill. He has done so much in behalf of the uniform laws of the different States that we are all indebted to him, and inasmuch as his illness is very serious, I suggest that the Secretary be authorized to send a telegram to him, and I would respectfully suggest the following form:

The members of the American Bankers' Association, assembled at San Francisco, California, send you greetings and wish to express their appreciation of your enduring and persistent efforts for the adoption of uniform laws. They regret your absence and hope for your speedy recovery.

I move that such a telegram be sent by the Secretary of this Association.

The resolution was unanimously adopted.

The President: The Protective Committee presents its report. [See first day's proceedings for this report.]

DISCUSSION OF REPORT OF CURRENCY COMMITTEE.

The President: There is also left over the report of the Currency Committee. There was a report presented by the Executive Council, and I think action will come up on the recommendation of the Council which will be presented by Mr. Pugsley.

Mr. C. A. Pugsley, President of the Westchester County National Bank, Peekskill, New York: Mr. President, the Currency Committee, composed of men eminently qualified to deal with this intricate problem, and representing different sections of our great country, after much discussion and consideration, have presented a valuable and conservative report, without a single radical feature in it. It may be said that there is nothing new in the report, but this question has been discussed for years by bankers in conventions, by representatives in Congress, and by the press. The discussions have taken a wide range, embracing almost every feature of the currency question. Some have favored more currency; others have held as tenaciously to the position that there was money enough for all practical purposes. We have had suggestions as to emergency circulation, supplementary circulation, elastic currency, and currency issued by Clearing Houses, and numerous other devices, and suggestions as to the rate of tax to be applied to such currency, and whether it should be issued freely at the

option of the bankers or under the authority and direction of the Comptroller of the Currency. There is no doubt that our system can be improved, but I do not believe it will be revolutionized. It is essential that its volume should rise and fall with the varying tides of business and commerce. It is the most important measure before this Convention. It is important, because it reaches and should interest all sections of our Republic. A sound and stable currency is the life blood of the Nation's commerce and prosperity, and it is of vital import not only to the banking and commercial interests, but to the people of the whole country, that our currency should be sound beyond question, and good beyond peradventure. The great essential of any currency is quality rather than quantity, and I am glad to say that the bankers and citizens of California have ever stood for quality and that they also have evidently been successful in obtaining quantity. (Applause.)

Wherever our flag waves, from the islands in the Atlantic to the distant islands of the Pacific, and from the sunny South to Alaska with its eternal snows, we should have the best currency that the brains and skill of America can evolve. We want to see the world's standard, the American dollar, and our currency system surpass that of any other nation on the face of the globe. But only by the most conservative legislation can this be accomplished. In its broadest sense it is a national question. (Applause.) What is of the greatest value to the people should be the aim of bankers and all legislation, and not what should be of the greatest value and assistance to the banks. The banks are the servants of the people, not the masters. The people are keenly interested in this question, and not only is it being considered and discussed by the President of the United States, by Representatives in Congress, by the press, by the banks, but by the people at large.

I do not believe that the bankers of this country, for selfish interests and purposes, will do aught to retard the general prosperity of the country. On more than one occasion they have shown themselves patriots, and I believe they will urge and favor only such legislation as will result for the country's good. (Applause.)

I have been instructed by the Executive Council to present this resolution:

Resolved, That the report of the Currency Committee appointed under resolution passed at the last annual Convention of the American Bankers' Association, held at New Orleans, be adopted, and that the President of this Association appoint a committee of three for the purpose of urging legislation along the lines recommended in the report.

I move, Mr. President, the adoption of this resolution.

Mr. G. W. Garrels, President Franklin Bank, St. Louis, Mo.: Mr. President, as I understand it, the Committee was appointed to investigate the currency of the United States. I do not find anything in the report covering that point. I expected they would have shown us the faults of our present currency as compared with the currency of other nations. My friend, Mr. McAshan, from Houston, said yesterday that sovereignty would be the only power that could create money. I do not believe in the statement. On the contrary, I know that labor, services and goods are exchanged for another commodity, for a general commodity, which is by the survival of the fittest, gold; and that all other substitutes merely represent the gold in the exchange of commodities, of labor and services.

My friend, Mr. Pugsley, mentions that California and several other States adhered to sound money during the Civil War. That is, in other words, they did not recognize the legal tender (Applause) of our currency law, which was passed during the exciting times of the war.

Now I consider this legal tender clause the very commencement of the deterioration of our currency system. It was the entering wedge to upset the principle. Congress had no right, under the Constitution, to pass a legal tender clause. The Constitution forbids the invalidating of the obligations of contracts. Eminent legal talent, our Chief Justice, Mr. Chase, has given an opin-

ion that the legal tender clause was unconstitutional. Other eminent politicians have held the same thing. Daniel Webster, who was considered an expounder of our Constitution, said that it was unquestionable that the United States had no authority to pass a legal tender clause. The legal tender question at the present time is hardly thought of; but it is the principle involved. The child learns that every dollar printed by the United States is money. It was because of the greenback craze; it was partly the cause of our silver agitation. I talked with eminent minds in the legal profession, merchants and bankers upon this very question at the time, in 1896, when the silver agitation was going on. At the time the argument was always that the United States had the right to make money. A legal tender clause is the last refuge of a bankrupt Government, and I consider it a blot on the laws of the United States. As long as we have the legal tender clause in our laws, we will have false ideas about the currency. It seems to me, what ought to be done first is to repeal that clause.

We had a very excellent recommendation of a perfect system of currency mentioned by the Comptroller of the Currency in his very excellent speech yesterday. He said that we ought to have gold, with gold certificates and subsidiary coin in gold redeemable currency, and I would be in favor of the American Bankers' Association adopting a resolution to that effect. (Applause.)

Mr. Edward J. Parker (Quincy, Ill.): Mr. President, I will offer as a substitute for the resolution of the Executive Committee, the following:

Resolved, That the committee be continued, its report referred back to it, and the committee be, and it hereby is, instructed to act in conjunction with similar committees appointed by the various State Bankers' Associations, to follow all proposed legislation introduced in the Congress of the United States affecting the present banking laws, and to take such action with reference to the same as they may deem best; and be it further

Resolved, That the President of this Association shall have power to fill any vacancies occurring on the committee.

If that meets with a second, I will venture upon a few remarks.

The motion was seconded.

Mr. Parker: Mr. President, we all realize the difficulties of this able Committee, whose report is before us. It is chiefly the indisposition of the Congress, which will shortly assemble, in special or regular session, to take up this question, with the Presidential election coming on next year. Therefore, your Committee has wisely introduced here a moderate report. If it would press passage it would, I think, bring about a broad discussion and differences of opinion. It is best at this time that members of the American Bankers' Association should go before the country rather with a united front than to split up on the various recommendations of this report into factions. How far do we agree with the Committee? I think on several propositions, or suggestions, we agree perfectly. On one or two we shall differ. Bankers, like the community at large, confound credits and currency. We have just passed through the most remarkable liquidation in values of stocks and bonds which has ever been known, a shrinkage of many billions, without serious financial trouble. That liquidation involved no use of currency. The movement of the crops south and west and northwest, sent demand rates in New York City last year to fifteen per cent. This year one and a half per cent. For the same reason they are holding on to their moneys now. Those periodical changes in rates are to be expected. Look at this question from the point of view of the public, not the banker. We are all borrowers, and we have large interests in one way or another, in the large corporations we represent. It is a hardship to do business under our present currency laws, and we should have the reforms brought about as soon as possible.

We accept the figures of the Committee as being accurate, as to the different issues and amounts held in the Treasury of the United States, and also in circulation.

Some of us would think that there ought not to be that quantity of money in Uncle Sam's vaults. What is this Government? It is a Government of the people, by the people, for the people, and the money in the vaults belongs to the people. It is an awful responsibility to force upon the Secretary of the Treasury. I do not say, and I will not allege that secretaries of the Treasury in the past have gained a competency in a single day, or a single hour with their knowledge of what would come about. I do say, and I know what I am talking about, because I know him intimately, that the present Secretary of the Treasury is an honest and incorruptible man (Applause) and would not take advantage of his official position. I do predict—generally I keep off the ground of making any predictions, either as to the weather, or any financial prognostications, but I will say this—that if our present currency system continues there will be secretaries of the Treasury who will be corrupt, and who will bring disgrace upon our country, having such vast powers in their hands; and I will say right here that under a wise, scientific currency basis, we would not, as we ought not to, ever turn our faces to the city of Washington for any help (Applause), because, as bankers of this country, we can, as the bankers did before the Civil War, help the United States Government when they had to. That was notably so in one case. You say get Uncle Sam out of the banking business. He is not in it. To prove it I will say that when there was danger of a silver basis and Uncle Sam could not protect the coin in his treasury, he had to call on the bankers, and they not only took the gold off the steamers going to Europe, but they guaranteed that they would keep the Government on a gold basis for six months—and it has remained there ever since. (Applause.)

Now, Mr. President, I think we will all agree that the law should be repealed which gathers into the treasury of the United States and keeps there such an enormous amount of gold. That was passed during the exigencies of the Civil War, when the Government was putting out United States bonds, interest payable in gold, and the Government had to have the gold in its own vaults. Bonds rose to very nearly three billion dollars. They have now receded to nearly one billion dollars. Hence there is no longer necessity for keeping that gold in the Government vaults.

I do not think we will dissent from the recommendations of this committee in that respect.

Secondly, as to the repeal of the limitation in the national banking law, restricting the contraction of notes to three million a month, what has transpired? The same this year as last year.

When the Secretary says, "I will accept your bonds for deposit in the United States Treasury," out they go, and the circulation is contracted. Notice is served on the Comptroller of the Currency that up to December, three million dollars a month would be withdrawn, at the very time of the year when there ought to be an expansion of the currency.

Now, we know that our friend, Mr. Whitney, of New Orleans, is a clear-headed man. He dissents from that conclusion of the committee. But that contraction ought to be rapid at times; just as rapid as the output of the currency at the beginning of the crop season, as it was in the banks of the Suffolk Bank system. I knew a time when a New England bank note stood as well in the West as a treasury note does to-day, but that output and contraction was as rapid as the tides of the ocean, and it can be again, and will be under an ideal currency. But we cannot come this year, or next year, or possibly in a generation, to ideal conditions. We will, however, some time. But before that the demand obligations of the Government must be retired, the people's money taken out of the sub-treasury, expansion and contraction operating periodically and automatically like the tides of the sea. Now, we do not dissent from that.

Where we would dissent is on their suggestion about an emergency circulation. If there were ideal condi-

tions there would be no necessity for the emergency circulation. Possibly we may have to come to something like that, but not in the way suggested here. Their suggestion cannot be put into operation.

The interior banks of the United States are not going to buy bonds, or conduct correspondence with the Comptroller of the Currency or the Secretary of the Treasury as to the possibilities of putting out an emergency circulation. Long before they would get to the crisis and beyond. The great strain is this awful contraction of credits.

Now, I say that clause should be inoperative. I say a uniform tax would be unjust. The only bodies, in my judgment, that should pass upon securities to secure an asset of credit currency, or emergency currency, as you may choose to call it, would be the Clearing House Association of the United States. You cannot practically impose this new duty upon the Comptroller or the Secretary of the Treasury, and they have not the force, nor have they the knowledge, to pass upon the vast amount of assets which we hold in our banks. They could not do it, and no gentleman cares very much to serve on the Clearing House Committee to do it.

Now, if we have an emergency circulation again, it ought to be in place of the present issues, for we have a credit issue. We had it in 1873; we had it in 1894, and we had it in 1893, and we possibly will have it again. I do not speak for the New York City banks. But suppose we do. They are voluntary associations. They are not even incorporated. There should be a legal issue, and all banks and banking houses should be allowed to participate in those issues, all members, whether they are national bankers, State bankers or trust companies.

Illinois, Iowa, and I think Wisconsin, have recently appointed standing committees to take up currency reform and to appear in Washington. Other States will follow—New York also.

Now, let this National Association affiliate with and act with us and get the benefit of our judgment, and let us adopt the trust idea, that in union there is strength. We cannot submit entirely these questions to the National Association. Our State associations have opinions of their own. If an emergency circulation is ever to be put out it should be regulated by Clearing Houses in different parts of the country, making it ten per cent. in Texas and Colorado and a lower per cent. in some other States. It would be discreditable to associations in Eastern States to put out a credit issue at such a rate of interest, or even as high as six per cent. It should be graded differently over different parts of the country. Hence, I take it, that would be inoperative. But we do not want to go into this, but simply refer it back.

Now, Mr. President, I have taken up a good deal of your time, more than I meant to, but I will simply say this: A preacher, recently, in addressing a Sunday school, asked the scholars what he should talk about. A boy spoke up and said, "About two minutes." (Laughter.) Now, I had intended not to make a speech, but simply to make two points. So let us dispose of it. (Applause.)

Mr. Andrew J. Frame, President Waukesha National Bank, Waukesha, Wis.: Mr. President, the campaign of education on the money question, which for thirty years has agitated this country, is drawing to a close on sound lines. The report of the Currency Committee of this Convention takes another step upward.

The comedy of 16 errors to 1 truth has met its Waterloo.

Branch banking in the United States has been relegated to the rear, and the rights of the individual banker, who has borne the heat and burden of the day in our development, is to be respected, but in commanding the world's commerce international banking is necessary.

Asset currency, with its first item to rob the depositor, has not been considered by the committee and is doomed to certain defeat. It seems evident that a life line ought not to be thrown out to the overbuoyant banker in the

shape of a rubber currency every time he gets beyond his depth.

Political economists of all ages have wrestled unsuccessfully with the elastic problem, and thousands of our brainy citizens have racked their brains for years for a sound solution, but failed.

We are now considering the only reasonable problem, and that is relief in case of emergencies. The committee report provides for the issue of additional National bank circulation on deposit of securities "with careful limitations" under a six per cent. interest rate, to insure its quick retirement as soon as the pressure for funds is over. If this measure is not abused or the door broken down, the measure of relief is of great value to the National banks, and indirectly to all banks.

Permit a suggestion, which it seems to me covers a wider field and is hedged around by the conservative business element and politics will never enter it, to wit:

Legalize Clearing House National bank notes on the same form as National bank currency, secured by Clearing House certificates issued on the same plan as heretofore, to any bank in the Clearing House to whom the Clearing House Committee sees fit to grant it. Five or six per cent. interest to be charged from date of issue to date of deposit by the borrowing bank, of funds with United States Treasurer, to redeem its borrowings, when the Clearing House certificates will be canceled and securities returned.

This will permit not only National, but State savings, or any other Clearing House bank, to get advances in times of financial stress. Country banks can get advances through their correspondents, thus serving all the banks of the country.

The conservatism of the Clearing House Committee will prevent unnecessary issues, the rate of interest will prevent inflation, and redemption will automatically take place as soon as pressure for funds is over.

This remedy will provide all with the needful to loan to all solvent parties, with doubtless the same result as when in 1847-1857 and 1866 the Bank of England illegally issued notes on a deposit of securities in the issue department and thus relieved panic conditions at once.

It is far preferable to the Clearing House certificates issued in this country in 1873, 1884, 1890 and 1893, which gave relief on those dates, because it provides cash on National bank form of notes which central cities can ship to correspondents, whereas certificates could not.

As the Secretary of the Treasury is periodically importuned to give relief, he, doubtless, would hail the remedy with a sigh of relief thrown in. The remedy for trouble in the great centers would always be at hand. It would be a check value on the bears against locking up funds. It would give relief practically to all when relief is most needed, and, therefore, as the committee's report is a step in the right direction, I shall vote for it.

When a patient is seriously ill at times, had tasting medicine may not be palatable, but necessary to recovery. As between selling sound securities at panic prices to obtain cash, is it not far better to provide cash as indicated, in order to allay troubles and be able to loan to all solvent parties in their hour of need?

National banks ought not to monopolize benefits. State and savings banks and Trust Companies fill a necessary place in our development. As the underlying principles of the report are eminently sound and only differ in details I congratulate the country that our standard of value is to be maintained, and, therefore, vote for the report. (Applause.)

Mr. Pugsley: Mr. President, in speaking upon the resolution presented by Mr. Parker, I would say that I understand it is impracticable to continue that committee. They are widely scattered over the United States. They have presented a report after much discussion and consideration, and I believe that we are asking too much of that committee to ask them to have further meetings. They represent, I believe, the brains of this com-

try, and I believe it is quite essential that the thought of the American Bankers' Association should crystallize around some proposition, and it seems to me we cannot have it crystallize better than around the report which has been so ably presented by the committee appointed at New Orleans.

I therefore hope that this Convention will pass the resolution submitted from the Executive Council.

Mr. Huston, of Marshall, Mo.: Mr. President, the time is short, and we would like to have an opportunity to vote directly on this question, if possible. I now move that the amendment offered by the gentleman from Illinois be laid on the table.

The motion was seconded.

Mr. Parker: I want to first answer the gentleman on my left. The three million dollar limitation in the National Banking law was intended at the time as an inflation to keep notes out.

Replying to Mr. Pugsley, let me say that in his first statement, introducing the committee's resolution, it was said that it was the most important matter, substantially, that would be brought before us. We have had standing committees in this house on uniform laws, and on fidelity insurance continued from year to year. Are there not gentlemen in our country who are willing to serve on a currency committee? Is the question not important enough, and with the funds in the treasury of this Association, could it not pay the traveling expenses of these gentlemen? Let me say right here, when I propose a measure on financial legislation in Congress I want to meet one thing squarely, and that is that the bankers of the United States have no money to bribe a single Congressman in Washington. (Applause.) I am speaking now of the money in our treasury to be used to pay incidental expenses. That could be used to pay the traveling expenses of gentlemen, and such things. Moreover, we should be in touch with the State Bankers' Associations, and this would bring us together, possibly, in the city of Washington, and my substitute provides for the filling of vacancies by the Presidents, if any of these gentlemen wish to step down and out. Others will take their place if any wish to step out.

And, Mr. President and gentlemen of this convention, if there is any one thing that the political parties of the United States need, and the American Bankers' Association and our various State associations need, it is some man big enough and wise enough and practical enough as a political economist to lead bankers and the customers of bankers onto a more solid ground in the matter of currency reform, and a practical working monetary basis, without these awful contractions, and without these great losses to all the people of this country. (Applause.)

The President: In order that the Convention may understand clearly the resolutions which we have before us, I will read them.

(The President read to the Convention the resolutions offered by Mr. Pugsley.)

The President: Mr. Parker offers as a substitute the following:

(The President read to the Convention the substitute offered by Mr. Parker.)

The President: Mr. Huston offers a resolution to lay on the table the resolution of Mr. Parker, and we will first vote on that.

A Delegate: As a preliminary procedure, would not the adoption of that motion lay the whole matter on the table?

The President: I should hardly say so. If the amendment is voted down, you would then have the right to vote on the original proposition.

Mr. Huston arose and addressed the Chair.

Mr. Sullivan: Mr. President, I rise to a point of order. A motion to lay on the table is not debatable.

Mr. Bigelow: I fear, Mr. President, that technically, to lay this on the table would kill the resolution.

The President: That may be possible, and if that be so, I will suggest that Mr. Huston withdraw his motion

and let us take a vote on the substitute offered by Mr. Parker.

Mr. Huston: I will withdraw my motion to lay on the table.

A Delegate: Mr. President, before taking a vote, will you read the report of the Currency Committee?

The President: It has been printed and distributed. It was distributed two days ago.

CURRENCY RESOLUTION ADOPTED.

Mr. Bigelow: Mr. President, I want to go on record as saying that in some respects I think the report of this Currency Committee, written by very able men, is taken too seriously. It should not be considered that that committee, because of the present exigencies, have sat down upon a credit currency under proper restrictions and redemptions. I think that it is unwarranted to come to such a conclusion. What the committee has done to sift the possible recommendations we can get at this time; that is perfectly clear. They want to get out of the ponderous operation of the Sub-Treasury system, and they have said that currency could be retired when banks think it should be retired. There is a time when money may be in very great demand, when currency may be retired properly, the loaning power of the bank not being decreased thereby.

There are many things in the report of great value. Although I think there is some merit in Mr. Parker's desire that it should be further considered, yet, on the whole, I am strongly in favor of the report as made by the Executive Council, as recommended by them. It is on broad lines, and I think it is all that can be expected at the present time.

The question was taken on the adoption of Mr. Parker's substitute.

The motion was lost.

The President: You will now vote on the original resolution as presented by Mr. Pugsley.

The motion was adopted.

The President: The motion is adopted by an overwhelming vote.

"Education of Bank Clerks," by J. B. Finley.

[Mr. Finley's paper in full will be found on pages 1635 to 1637 of this publication.]

The President: I now have the honor of introducing to you Hon. Ellis H. Roberts, Treasurer of the United States, who will address us on the "Effects of the Inflow of Gold."

"Effects of the Inflow of Gold," by Ellis H. Roberts.

[Mr. Roberts' address in full will be found on pages 1627 to 1630 of this supplement.]

Mr. Lowry, of Atlanta, Ga.: Mr. President, just a few moments on the line of our Educational Committee work.

The United States Investor, published in Boston, offered a series of prizes, one thousand dollars in all, for suggestions for bank officers and bank clerks, the prizes to be divided as follows: \$500 for the best suggestion; \$300 for the second, and \$200 for the third. A committee of gentlemen was appointed to read these propositions, and I am glad to report that there were some two hundred and over received by the Investor Company. They were thoroughly read and considered by a committee of bankers and others, and they arrived at the conclusion that the awards ought to be as follows: I take this occasion to say that the liberality shown by this publisher is along the line of the American Bank Clerks' Institute. It was open, not only to the clerks of the banks, but any one, and after thoroughly considering all the propositions, which are now published in book form, they have now arrived at this conclusion, and I hold certified checks of the American National Bank of Boston for those to whom the awards are made.

I enclose herewith clipping showing the terms under which the prizes were offered. I will not take up the time to read this. Also here is a clipping from the Investor, saying that so many essays were received. The names of the Judges are contained in the circular, and

we have just received a telegram from Mr. Odell, the Chairman of the Committee having it in charge, awarding the first prize of \$500 to F. M. Farwell, No. 1 Nassau street, New York City, Essay No. 105, entitled "Combining Small Banks," which you will find in the volume sent by express, as I am informed.

The second prize goes to Lancy Thomas, whose address was Post Office Box 855, Denver, Col. His essay was No. 94 in the volume, and it was entitled "Bank Collections."

The third prize, \$200, is awarded to Richard C. W. Merrington, whose address is 59 William Street, New York City. His essay was No. 150, and the title was "Bank Clerks' Holidays." (Reading.)

"I inclose herewith certified check for these amounts, and if there is any change in their addresses I will advise you later.

"It is a great pleasure to us to stimulate this competition, and we are under obligation to you and the other judges. With kind regards, I am, yours, etc.

"FRANK G. BENNETT."

That is the United States Investor.

I think it is well enough when gentlemen take so much interest in our welfare to offer these rewards that they should have public mention of it made in our Association, and I think that if we could have more of this it would add a great deal to the work which we are doing. These checks will be forwarded by me to the gentlemen named. (Applause.)

The Secretary: I have been requested to make the announcement that the New York Central Railroad special train will leave from the corner of Third and Townsend streets, San Francisco, Saturday at nine o'clock A. M., and not from Oakland where the train came in.

ATLANTIC CITY SOLICITS CONVENTION.

Mr. John J. White, Second National Bank, Atlantic City, N. J.: Mr. President, I would like to read a communication from the State Bankers' Association of New Jersey, inviting the Association to meet at Atlantic City in 1904.

JERSEY CITY, October 13, 1903.

Mr. James R. Branch, Secretary American Bankers' Association, San Francisco, California:

My Dear Mr. Branch: The Atlantic sends greeting to the Pacific.

The New Jersey State Bankers' Association extends a most cordial greeting to the American Bankers' Association, in convention assembled and congratulates them upon the hospitality they are sure to receive in the great State of California.

Before that memory becomes a pleasant memory, our Association cordially invites you to make our State the scene of next year's convention. Atlantic City, whose attractions and whose hospitality are world wide, will be pleased to open her doors and her heart for this purpose. We heartily commend her charms to your consideration, and earnestly hope that we will have the privilege of welcoming you to our State in 1904.

Very sincerely yours,

E. C. STOKES, President.

(Attached is also a letter from Mr. Franklin Murphy, of the Executive Department of New Jersey.)

TRENTON, October 13, 1903.

James R. Branch, Esq., Secretary, American Bankers' Association, San Francisco, Cal.:

Dear Sir: I am informed by some friends from Atlantic City that you are to be invited to hold your next annual meeting at Atlantic City.

I am very glad to add my own request to that of the representative citizens of that place, that you should accept their invitation. The city, as you know, has many attractions, not the least of which is its excellent hotels and the public spirit of its citizens. I am sure that the people would be very much pleased if your association should decide to visit them next year.

Very truly yours,

FRANKLIN MURPHY.

I extend also the invitation of the Board of Trade of Atlantic City, and the City Council.

The President: The invitation just presented will be received and filed with the Executive Council, who will pass upon the question.

Mr. Lewis E. Pierson, the New York National Exchange Bank, New York: Mr. President, the New York bankers have for many years partaken of the generous

hospitalities of other cities, and as next year's place of meeting for this Association will no doubt be somewhat considered from a geographical standpoint, we feel that an opportunity should at that time be given for us to attempt to repay the many courtesies we have in the past received. On behalf of the New York Clearing House, as well as our group of the State Bankers' Association, I therefore, Mr. President, have been requested to extend to the members of the American Bankers' Association a most hearty and cordial invitation to hold their next year's Convention in our city. (Applause.)

The President: The invitation will be received and filed, and will come up for consideration by the Executive Council.

Mr. Swinney: I wish to ask the incoming members of the Executive Council to meet immediately after adjournment in the press room of the Palace Hotel.

VOTE OF THANKS.

Mr. Wiggin: I rise to offer a resolution of thanks. As an Eastern banker, I much appreciate this opportunity. Never have we had a more successful Convention, never have we had a more cordial reception, or generous hospitality. We are deeply indebted to the city of San Francisco and its people, and especially to its bankers. At this time I want also to express thanks to the press for their uniform courtesy and consideration, and also to the telephone and telegraphic companies. I offer this as a resolution.

The resolution was seconded and unanimously adopted.

Mr. F. D. Monfort, Vice-President Second National Bank, St. Paul, Minn.: Mr. President, if it is in order I would like to move that the thanks of the Convention be tendered to Mr. Ellis H. Roberts, for his very masterly and eloquent address.

The motion was seconded and unanimously adopted.

NOMINATIONS AND ELECTION.

The President: The next business in order is the report of the Committee on Nominations.

Mr. J. J. Sullivan, President Central National Bank, Cleveland, Ohio: Mr. President, the committee makes the following report, and desires to present for your approval the following list of officers for the ensuing year:

Gentlemen: The Nominating Committee desires to present for your approval the following list of officers for the ensuing year:

For President, Mr. Frank G. Bigelow, President of the First National Bank, Milwaukee, Wis.; for Vice-President, Mr. E. F. Swinney, President First National Bank, Kansas City, Mo.; for members of the Executive Council, James K. Wilson, President San Francisco National Bank, San Francisco, Cal.; J. D. Powers, President of the United States Trust Company, Louisville, Ky.; J. H. Mitchell, Vice-President Winona Deposit Bank, Winona, Minn.; James B. Finley, President Fifth National Bank, Pittsburgh, Pa.; Stephen M. Griswold, President Union Bank, Brooklyn, N. Y.

For Vice-Presidents of the different States: Alabama, W. H. Manly, Cashier Birmingham Trust & Savings Co., Birmingham, Ala.; Alaska, W. T. Summers, President First National Bank, Juneau; Arizona, J. N. Porter, President First National Bank, Globe, Ariz.; Arkansas, John G. Fletcher, President German National Bank, Little Rock; California, James K. Lynch, Cashier First National Bank, San Francisco; Colorado, F. G. Moffat, Cashier First National Bank, Denver; Connecticut, M. H. Whaples, President Connecticut Trust & Safe Deposit Co., Hartford; Delaware, Wm. R. Brinckle, Vice-President Security Trust & Safe Deposit Co., Wilmington; District of Columbia, M. E. Alles, Vice-President Riggs National Bank, Washington; Florida, J. T. Dismukes, President First National Bank, St. Augustine; Georgia, John M. Hogan, Cashier Germania Bank, Savannah; Idaho, W. F. Kettenbach, President Lewiston National Bank, Lewiston; Illinois, William George, President Old Second National Bank, Aurora; Indiana, Mord. Carter, President First National Bank, Danville; Indian Territory, F. S. Genung, President First National Bank, South McAlester; Iowa, C. H. Keck, President Citizens National Bank, Washington; Kansas, James T. Bradley, Cashier First National Bank, Sedan; Kentucky, Henry C. Walbeck, Cashier German Insurance Bank, Louisville; Louisiana, W. B. Rogers, President Interstate Trust & Banking Co., New Orleans; Maine, Thos. H. Eaton, Cashier Chapman National Bank, Portland; Maryland, Jas. R. Edmunds, Vice-President National Bank of Commerce, Baltimore; Massachusetts, Robert B. Fairbairn, President National Rockland Bank, Boston; Michigan, H. C. Potter, Jr., Vice-President State Savings Bank, Detroit; Minnesota, D. S. Culver, Cashier National

German-American Bank, St. Paul; Mississippi, B. W. Griffith, President First National Bank, Vicksburg; Missouri, J. B. Huston, Cashier Wood & Huston Bank, Marshall; Montana, Alden J. Bennett, President Madison State Bank, Virginia City; Nebraska, Geo. W. Post, President First National Bank, York; Nevada, T. B. Rickey, President State Bank & Trust Co., Carson; New Hampshire, Calvin Page, President New Hampshire National Bank, Portsmouth; New Jersey, Frederick W. Egner, Secretary and Treasurer Fidelity Trust Co., Newark; New Mexico, H. J. Anderson, President First National Bank, Alamo; New York, Chas. H. Stout, Vice-President Liberty National Bank, New York City; North Carolina, J. Elwood Cox, President Commercial National Bank, High Point; North Dakota, H. R. Lyon, President First National Bank, Mandan; Ohio, Thos. H. Wilson, Vice-President First National Bank, Cleveland; Oklahoma, G. A. Nelson, Cashier The Capitol National Bank, Guthrie; Oregon, J. Frank Watson, President Mercantile National Bank, Portland; Pennsylvania, E. C. Emerick, Treasurer Susquehanna Trust & Safe Deposit Co., Williamsport; Rhode Island, F. Tompkins, President Newport Trust Co., Newport; South Carolina, J. F. Ficken, President South Carolina Loan & Trust Co., Charleston; South Dakota, H. J. Meldell, Cashier Beresford State Bank, Beresford; Tennessee, C. M. Preston, Cashier Hamilton Trust & Savings Bank, Chattanooga; Texas, Edwin Chamberlain, Vice-President Alamo National Bank, San Antonio; Utah, L. H. Farnsworth, Cashier Walker Bros. Bank, Salt Lake City; Vermont, L. H. Bixby, Cashier Montpelier National Bank, Montpelier; Virginia, J. B. Fishburne, Vice-President National Exchange Bank, Roanoke; Washington, W. M. Shaw, Assistant Cashier Exchange National Bank, Spokane; West Virginia, J. D. Baines, Vice-President Kanawha National Bank, Charleston; Wisconsin, J. M. Holley, Cashier State Bank of La Crosse, La Crosse; Wyoming, August Kendall, President First National Bank, Rock Springs; Hawaii, H. E. Walty, Bishop & Co., Honolulu.

Mr. G. M. Reynolds, Vice-President Continental National Bank, Chicago: Mr. President and Gentlemen.—At a meeting of the delegates representing the various State Associations, Tuesday evening, October 21, 155 delegates were present. At that meeting the following gentlemen were nominated as members of the Executive Council from the State Associations:

W. K. Coffin, Vice-President and Cashier Eau Claire National Bank, Eau Claire, Wis.; H. R. Dennis, President Sioux Falls Savings Bank, Sioux Falls, South Dak.; C. M. Sawyer, President First National Bank, Norton, Kan.; Mills B. Lane, President Citizens' Bank, Savannah, Ga.; William Livingston, President Dime Savings Bank, Detroit, Mich.

Mr. Kauffman, Fidelity Trust Co., Tacoma, Wash.: Mr. President, I move that the Secretary of the Association be instructed to cast the vote of the Association for the officers and members of the Executive Council, as recommended in the report of the several committees.

The motion was seconded and unanimously adopted.

The Secretary: I cast the ballot of the Association for President and Vice-President, and for the members of the Executive Council, as recommended in the reports of the several committees which have just been made.

The President: These gentlemen whose names you have heard read, and for whom the secretary has just cast the ballot of the Convention, are hereby declared elected.

The President: Mr. Bigelow, your familiarity with the affairs of the American Bankers' Association and the important interests they represent makes it unnecessary for me to say anything as to the honor which has been conferred upon you. You will appreciate it without my saying anything further. It affords me the greatest pleasure to throw upon your worthy shoulders the mantle of office, and I therefore take pleasure in presenting you with the President's badge of office. (Applause.)

REMARKS OF MR. BIGELOW.

Mr. Bigelow: Mr. Hardy, Gentlemen of the Association, Ladies and Gentlemen.—It is difficult for me to find words to express how thankful I am for the honor that you have given me to-day. Not only that, and what it implies of work and effort, but the way in which it has been done, the kindness with which I have always been received by you, in the council and in the convention, would tend to touch any man's heart. To be chosen for President of this Association in the city of San Francisco is another touch that we cannot all have; a city that has, it seems to me, gone beyond any possible expectations in the reality, in the unreserved hospitality and cordial-

ity with which we have been received. I think the way they have conquered us shows only the way they are going to conquer the whole Pacific Ocean.

I want to call your attention to one or two things in regard to the business of the Association. The dues have been doubled in some instances, and largely increased in others, and I want now to ask all the members that are here to bear that message to other banks not represented, and to urge upon the banks that they should be very glad that this is done, under all the circumstances. The circumstances will be set forth fully as time goes on. But I think it is well to say a word about it. The cost of the Protective Committee has been all that the smaller banks have paid in dues to the Association, and they are only asked now to pay in dues over and above that amount what they were before.

I think it is right to congratulate the Association on the papers that we have had presented here this year, which I think are more thoughtful than usual, and upon the work of the Association, upon its currency report, which is all that is to be accomplished, under the circumstances.

It was as good a man as Charles Reed who said, "When you don't know what to do, don't do it."

Mr. Hardy, it is my pleasure, too, though I have had poor success with buttons, having forgotten the Vice-President's button a year ago, to present you with this button, that is to be fixed on you. You remember, probably, that ex-Senator Evarts said, I think, that the X's go before the Y's. (Applause.)

The President (Mr. Hardy): Mr. Swinney will please step forward and receive the sentence of the court.

(Mr. Swinney steps forward.)

Mr. Swinney, some very brainy man has said that a fellow ought not to expect to have hair and brains, too. (Laughter and applause.) If that be so, there can be no doubt as to which you have. I have been trying, myself, to travel in the class with Joe Hendrix and Walker Hill, but I will have to step down and yield the palm to you. (Laughter.)

The members of the American Bankers' Association appreciate your arduous duties as Chairman of the Council, and what you have done for it, and, anxious that you shall not overtax yourself for the coming year, we have promoted you to the innocuous desuetude of the Vice-Presidency, and I have, therefore, the pleasure of inducting you into that office.

I did intend to say a word or two about the pins, if it had not been for the words the new President has just uttered. You remember the trouble you got in getting the Chairman to serve last year. I think he has caught the Vice-President's pin. The Secretary has anticipated next year by having one for 1903 prepared, which the President will receive at the expiration of his office. I am going to present you with that pin, and advise you to hold on to it until you get the Vice-Presidential pin. (Applause.)

Mr. Swinney: My friend, it is said that all things come to him who waits. As Mr. Hardy says, the duties of this office are not at all arduous. That is just the place I have been hunting for, and I want to say to you, briefly, that I thank you more than I can tell you for the honor which you have conferred upon me. (Applause.)

The President (Mr. Hardy): Mr. Bigelow, I retire in your favor.

PUNCH BOWL FOR MR. HARDY.

Mr. Lowry: Just one moment before you retire. Members of the American Bankers' Association, ladies and gentlemen, I do not know why they should have selected me to present a souvenir to the outgoing President, unless it is because I am one of the has-beens, the only one who is here. You are about to become a "has-been," and in recognition of the arduous duties which have fallen upon the shoulders of our retiring President, the Association has prepared a lovely present, typical of people who come from Virginia, and has asked me to

present it to you. (Presenting Mr. Hardy with a silver punch bowl.)

It has been my pleasure to know Mr. Hardy for a great many years, and I have always known him to be a thorough man, a gentleman among Virginia gentlemen, a good officer and a lover of this Association. He has been at all of the Association functions that I have been at, and there have been a good many of them, and he has held his end up at the banquet board and the punch bowl, and everywhere else. I can tell you that when the interests of this Association have needed his services in any way he has given them freely. He has been a great help in building up this Association to the point it has reached now. I will not take up any more time, gentlemen, because I know that many of you want to get around to the many beautiful places in this dream of a country. Therefore, I present this punch bowl without any further words, and I invite you in the name of Mr. Hardy, if you ever land around Norfolk, Va., anywhere, to come in and quench your thirst from it. Everybody knows Mr. Hardy in Virginia; he keeps open house, and this bowl will always be filled with champagne whenever any of you come to see him. Mr. Hardy, I present this to you in the name of the American Bankers' Association, with the love and respect they have for you. (Loud Applause.)

ACKNOWLEDGMENT BY MR. HARDY.

Mr. Hardy: Members of the American Bankers' Association, ladies and gentlemen, it appears to become the practice of this dignified Association to annually fill its Presidents too full for utterance. Whether we believe half of the stories of California that we have heard since we have been here or not we have certainly learned

from the royal hospitality that has been dispensed to us that we have only to press the button and call for what we want, and, presto! we have it. If I had had any intimation that I was going to be presented with anything of this sort—of course, I had not any idea of it at all—I should have brought into use the pipe line from one of these beautiful vineyards on the hills around here, and have connected that pipe line from the vineyard to our meeting place, and have invited everybody to join me.

I might add something as to the work of our Association and the interest I feel in it, but it is growing late, time is pressing, and I hope the results speak for themselves. What more can I do than to thank you heartily for the many courtesies and kindnesses that I have received from your hands, which I do with all my heart. (Loud Applause.)

ADJOURNMENT.

The President (Mr. Bigelow): Gentlemen, I believe there is no further business to be brought before the Convention.

A Delegate: Has there been a resolution thanking the bankers of California?

The President: There has been.

The President: We have here a telegram from the Chairman of the New Orleans Levee Executive Committee, inviting the delegates of this Association to send delegations to the Levee Convention, which meets in New Orleans, October 27th. This is signed by Mr. J. N. Luce, Chairman of the New Orleans Levee Convention.

There is no further business before the Convention, and I therefore declare the Twenty-ninth Annual Meeting of the American Bankers' Association adjourned.

**THE FOURTH NATIONAL
BANK OF THE CITY OF
NEW YORK OFFERS TO DE-
POSITORS EVERY FACILITY
WHICH THEIR BALANCES,
BUSINESS AND RESPONSIBILITY WARRANT.**

TRUST COMPANY SECTION

AMERICAN BANKERS' ASSOCIATION,

Seventh Annual Meeting, Held in the City of San Francisco, October 20, 1903

INDEX TO TRUST COMPANY PROCEEDINGS.

Trust Companies as Trustees	Pages 1675 to 1676	Reply to Address of Welcome	Page 1680
Encows: A Varied and Profitable Feature	Pages 1676 to 1678	Report on Audit of Trust Companies	Pages 1681 to 1685
Trust Companies in the Northwest	Pages 1678 to 1679	Report of Secretary	Page 1681
Detailed Proceedings	Pages 1680 to 1687	Report of Executive Committee	Page 1681
Address of Welcome	Page 1680	Meeting of Executive Committee	Page 1687

The Problem of Wealth and the Trust Company as Trustee.

By HON. LYMAN J. GAGE, President United States Trust Co., of New York City.

We are accustomed to think of the serious problems which beset the poor, and we sympathize or ought to sympathize, with them. The ever present question of to-morrow, the possible failure of employment, the cost of living, the drawback of sickness, the calamity of death,—these may be briefly summarized as the leading problems of the very poor. These problems do press a painful burden upon the larger mass of society. To secure immunity from them, to find honorable avenues for escape, to secure financial independence—in short, to accumulate wealth, is, and forever must be, a natural and laudable ambition. But no sooner does one pass over from the army of the poor to the relatively smaller company denominated the rich or well to do, than he finds that the problems of life, if changed in their nature, are yet vexatious and troublesome. Having become possessed of a competence, he no longer fears the approach of his landlord for rent unprovided, nor is he anxious concerning to-morrow's bread or as to the wherewithal to clothe his family. Frequently, however, he learns that wealth is a burden and often a heavy one. He discovers an innate tendency in accumulated treasure to take unto itself wings. He finds that money flies as well as "talks." He is apt to learn how easy it is to lose in an hour the careful savings of months and years, and, in a sense wholly different from the Latin poet, he learns that the descent to the Avernus of financial disaster is easy and swift, and that it is difficult to recover his lost footing and escape to the upper air of financial freedom. He soon learns that when he loans money he is apt to borrow trouble.

In this country we have not well learned the lesson of content with reference to an acquired competence. The American business man seldom retires. He prefers to struggle on in the harness and to carry his financial problems to the inevitable end, not, as a general rule, from considerations of avarice (for in no country are the rich more generous or less avaricious), but from the sheer joy of achievement and the fascination which the conflict of business life has for him. In England they have learned better than we to be content with a competence, to relieve one's self of the burden of wealth and to devote one's energies to other purposes than the mere increase of the burden. In other words, there is in England a pronounced leisure class, men who have not merely withdrawn themselves from business, but who

will not even be burdened with the care of their own possessions and who leave it either to family solicitors or to fiduciary corporations. Thus freed from the burden, they find time to devote themselves to the politics of their country, the pursuits of literature, the cultivation of art, the enjoyment of their landed estates and to the legitimate pleasures which a large cosmopolitan capital like London affords.

In America an ever increasing number are learning this lesson. Their greatest problem is to find a suitable custodian for their wealth, to whom its cares and responsibilities may be safely delegated.

If however, the American man of wealth does not wish to retire from business, but, with his characteristic and inexhaustible energy, prefers, for the mere pleasure of achievement, to continue to add to his accumulated means, he is yet confronted by the possibility of disability through disease or infirmity of age and the certainty of death. Unless he is strangely indifferent, he cannot be unmindful of the question as to the ultimate disposition of his inherited or acquired possessions. If blessed by the ties of blood with a family, either lineal or collateral, he finds that he has become a kind of human providence to a dependent group, for the members of which, in varying degrees of duty, it is his pleasure to extend a protecting and helping hand. He must recognize that his children, who have been educated in the schools, cultivated by travel and refined in taste through social customs and manners, have in a sense claims upon him, and there are few greater hardships in life than those sudden reversals of fortune where a child, reared in luxury, is suddenly called upon to face unaccustomed poverty.

Sooner or later the obligation must be discharged to make a wise disposition of his fortune, and as nothing is more certain than that he cannot himself continue to administer it, he is inevitably met by the question, "Whom shall I constitute as my executor or trustee? Shall it be my eldest son?" Frequently he is of all the family the least qualified. "Shall it be one of my juniors?" Such preference is apt to excite jealousy and bitterness and lead to unhappy dissensions. "A trusted and experienced friend?" He may not survive, and in any event his availability may alter through changed conditions and circumstances when it is too late to recall the trust. "A legal counselor?" His ability and char-

acter may both be great, but the uncertainties of life surround him as they do other men, be he ever so competent and faithful. If provision is to be made for children and grandchildren, a long tenure of office in the trustee is of great importance; and if any or all of the fund to be transmitted is to be devoted to public charities, a permanent trustee then becomes inevitable. Moreover, there always exists the possibility of malfeasance and betrayal, the sins of omission and commission, whereby fortunes are too often dissipated and lost.

This problem, which to thoughtful and conscientious men is a grave one, the Trust Company, in its legal capacity as administrator, executor or guardian or trustee, is established to solve. Enjoying perpetuity, it is not subject to the vicissitudes of death. Controlled by the provisions and limitations of its charter, it is kept by the strong hand of the law within the limits of conservative operations. Presumably managed by a competent Board of Directors, the beneficiaries of the trust have the advantage of the collective wisdom of the experienced men, and in financial matters "in a multitude of (experienced) counselors there is safety." Inspected by independent officers of the State, any wrong doing by the officers of a trust company cannot long remain undiscovered. Possessed of ample capital, the beneficiary is guaranteed against loss through errors or willful dishonesty. Moreover, the trust company, in managing many estates, can do so with an economy not possible to individual trustees. Undoubtedly there are often advantages in having as trustee an attorney who has advised the donor in the lifetime, and whose peculiar knowledge of the estate is valuable, but, as has been stated, such management in the nature of things cannot be long enduring, but its advantages can be secured by uniting the family counselor with the trust company, as co-trustees. In this manner both the special benefits of corporate management and those of an individual trustee can be secured.

I submit, therefore, that the burdens of the rich would

be sensibly relieved if due regard were had to the advantages offered by the trust company.

This brings me to a closer consideration of what the trust company should be in its character, capital and business methods, to enable it to discharge with zeal and fidelity the high duties imposed upon it in its fiduciary capacity as trustee. Its capital should be adequate to its responsibilities. Its officers and directors should be men of experience and with a single mind devoted to the institution they serve. Its corporate work, whether exclusively relating to its trust business or not, should be of a dignified character and free from hazard. Around the trust company should further be thrown the safeguards of wise legislation. In some of the older States adequate provisions in this respect have been made, and these beneficent laws could profitably be adopted by other States less fortunate.

The legislature may well give careful consideration to this important function of financial corporations. It is true the trust company is comparatively a new comer. The first of such institutions began business in the United States but little more than fifty years ago. The record of the half-century is, however, upon the whole, an honorable one, and the extent of its services in the management of property is but imperfectly understood by those most requiring its special facilities. In the period in question few, if any, losses have occurred to any trust property by the delinquency of any trust company acting in a fiduciary capacity. There have unquestionably been in such institutions occasional acts of malfeasance by employees, but in no case that I can recall has the trust company failed to make good to the beneficiary the temporary loss thereby sustained.

I am firmly of opinion, therefore, that the growing value of such companies in the special work to which I have alluded should be made known to that class which we may justly hope is becoming numerically greater, to whom the problem of the proper management and ultimate disposition of their property presents itself as the peculiar problem of the rich.

Escrows: A Varied and Profitable Feature of Trust Company Business.

By PHILIP S. BABCOCK, Trust Officer Colonial Trust Company of New York City.

The dictionary defines an escrow as:

"An instrument under seal, placed in the hands of a third person for delivery to the grantee on some condition, the instrument being of no effect until delivery."

Black's Law Dictionary enlarges this definition by stating:

"A grant may be deposited by the grantor with a third person, to be delivered on the performance of a condition, and on delivery by the depositary it will take effect. While in the possession of a third person and subject to condition, it is called an 'escrow.'"

This definition and explanation cover the strict legal use of the word, but it is commonly the practice in Trust Company work to carry under this head various forms of business which, perhaps, do not conform absolutely with this strict legal definition, and yet which justify my sub-title and are properly within the scope of Trust Company functions.

The simple form of escrow, and perhaps the most common, is the one of our definition:

A, the grantor, sells to B, the grantee, certain property, real estate, securities, or what not; but, for one reason or another cannot immediately give clear title and consummate the bargain, or B is not ready on

his part; both parties, however, desiring that the bargain shall be binding, seek the services of a Trust Company, A depositing his deed or securities, with proper assignments, and B depositing such part of the consideration as may be agreed upon, usually to become forfeited if he fails to carry out his part of the agreement when the proper time arrives.

I need only point out in this connection that care should be taken in such an escrow that the position of the Trust Company does not become one of stakeholder, since a stakeholder must decide whether an agreement has been properly carried out and be the sole judge of its fulfillment or non-fulfillment; an entirely unnecessary and undesirable position for the Trust Company, unwarranted by any charge it could reasonably make for its services. I venture to suggest, therefore, that in such escrows (and perhaps in all escrows) the instructions to the Trust Company should be in writing and signed by all parties to the agreement. If either the grantor or grantee refuse to join in such instructions, the Trust Company simply sits still and permits them to fight it out; if made a party to any suit, it admits the facts of which it has knowledge and prays the Honorable Court to instruct it as to its—the Court's—wishes, counsel usually asking for a proper allowance to cover their duties in the premises.

Such is the simple escrow.

Next is one somewhat more in vogue a few years ago than at present:

Some wonderful El Dorado, needing only a few dollars for development to make its shareholders "rich beyond the dream of avarice;" or some embryo Standard Oil Company, needing a small amount to dig a hole in the ground and enrich the rest of the world; some such enterprise is capitalized by philanthropists who desire, out of love for their fellow-man to let him in on a good thing by selling him a few shares of treasury stock at ten cents on the dollar (going to twenty cents the next week); being philanthropists—or perhaps because they know each other too well—they do not ask that the money shall be paid to themselves direct, but to a Trust Company, who will hold the stock in escrow and deliver it as sold.

Seriously, gentlemen, I do not mean to intimate for one moment that all enterprises brought out in this way, through the intermediary services of a Trust Company, are of the character sketched above; far from it. But I do want to point out the dangerous features of this kind of escrow and to show the need of very great caution when such a proposition is brought to us. One particular objection to this form of escrow is the very real responsibility put upon the Trust Company.

In the State of New York—and, I believe, in most others—a company cannot issue its own stock for less than par; such stock is often sold—rightly and properly so—by owners who have received the stock at par for property purchased, and in other ways; but when a Trust Company accepts payments for so-called Treasury Stock it should be very sure of the *bona-fides* of the proceedings, should have a very intimate and exact knowledge of the transaction; should, in fact, be prepared to accept the moral responsibility entailed as being a very real and legal responsibility; and that, I opine, is outside the proper functions of a Trust Company.

Again, in this form of escrow there is always the danger of the Trust Company being held liable for the representations and promises contained in circulars and prospectuses, even when its services have been limited to distributing such papers. One or two recent cases in the New York courts illustrate this danger.

Doubtless each of you here can recall various other forms of escrows, which I have not touched upon, but I wish now to take up two very interesting forms with which it has been my good fortune to have had more or less to do in my trust company experiences and which formed the original idea of this paper:

First, That of depositary under a plan of reorganization of some bankrupt property; or,

Second, of the securities of companies which some captain of finance is to weld into one harmonious whole.

While the causes and the result are very different, the details of the work—from the Trust Company point of view—are largely the same; and, so that my paper may not run on to too great length, let me briefly outline a reorganization:

A railroad, let us say, is unable to meet its fixed charges; its earnings have decreased, its expenses increased; some of its largest creditors and those most interested in its welfare have for some time seen the inevitable; they have consulted together and have determined to try to put the road on its feet again, save all that can be saved from the wreck and put it in such condition as to weather any future storms. To this end the co-operation of all interested parties is necessary. A committee is formed, a call issued to security holders, a Trust Company named as depositary to receive deposit of securities and issue receipts therefor.

A cynic might find food for thought in the fact that all the large Trust Companies in New York have an engraved plate of such a receipt at their Bank Note Company, with some hundreds of certificates already engraved and needing only the printing on them of the name of the road and the class of security, to be immediately available.

Securities begin to come in for deposit, by mail, express and over the counter; as received they are ticketed, the ticket showing the class of security, the amount, and the name and address of the depositor. As received over the counter they are examined for endorsement and a temporary receipt given, which must be exact as to the class and amount received, but which allows for more careful examination after the rush is over and before delivery of the formal certificate of deposit, by stating that the securities therein mentioned are received "for examination." This sounds very simple, but we must not lose sight of the fact that we are dealing with an escrow, the parties thereto being the Reorganization Committee and the depositors, and, like the deed in our first illustration, the securities deposited must be a good delivery to one party or the other. Securities (I use the word in its broad meaning) being thus deposited, become the "grant" of our legal definition, the reorganization agreement setting forth the "condition," and the certificate of deposit being the Trust Company's acknowledgment of the obligation. Thus, the theory is simple, the details multitudinous.

I recall a consolidation of the past few years where, on the last day, one hundred and eighty thousand shares of stock were deposited; the day before, one hundred and twenty thousand; three hundred thousand shares of stock, a par value of thirty millions of dollars; and those were the days when every share of stock had to pay two cents transfer tax and each certificate twenty-five cents power of attorney tax. One had to look out for stamps so much in those days that one almost regretted the necessity of teaching Spain a lesson in decency. The Trust Company's receipts having now been delivered there perhaps comes a lull, but often notices must be sent to depositors, assessments paid, which necessitates the return of the certificates to have the payment stamped thereon, and then the reorganization is perfected. The lawyers have been busy all this time, have foreclosed the mortgages, incorporated the new company, and the new securities are ready for delivery. The same process is gone over again. Certificates of deposit come back and receive the *pro rata* of new securities to which each may be entitled. All the Trust Company's receipts having been canceled and all new securities having been delivered, this most interesting of escrows is at an end.

Such is, very roughly, one of the most detailed of escrows and which, with the others I have touched upon, justify, I hope, my subtitle of "varied."

And now as to the "profitable" feature of this form of Trust Company business.

When our simple form of escrow—in my first illustration—is brought to us and we suggest a charge of say fifty dollars, the payer is very apt to ask: "Isn't that rather high for holding a few papers for a short time?" To which the very natural reply is: "Yes, but you want considerably more than that or you wouldn't come to a Trust Company; you want to feel that the negotiable instrument which you are putting in escrow is absolutely safe; that no consideration whatsoever will alter the conditions under which the escrow is established; you want to feel that the depositary will treat all parties with absolute impartiality and absolute fairness; the matter is of importance and so you come to a Trust Company; and, to have that complete "peace of mind" and certainty that your agreement will be carried out fairly and impartially, the charge mentioned is very moderate.

I venture to think that you gentlemen here will agree with that statement of the case.

And so with a moderate charge for a simple escrow, the commission may run into thousands of dollars for reorganization work with its many details and full responsibility.

"The laborer is worthy of his hire," but, as in the parable, the reward is not altogether in the actual pence paid. The commission paid for the actual work of the

escrow should not represent the total of the Trust Company's profits; the friends made, the new business brought in, the advertising, should be all considered in the sum total of the profitable side of the business.

In conclusion, gentlemen, I submit this paper to your consideration in the earnest hope that, wherever business lies, this feature may be developed to the mutual benefit and advantage of all concerned.

The Trust Company Movement in the Pacific Northwest.

By F. C. KAUFFMAN, Second Vice-President of Fidelity Trust Company, Tacoma, Washington.

To give the history of the Trust Company movement in a section of the United States, in which it has but started, is almost as difficult as to write a biographical sketch of a new-born infant; necessarily, therefore, most of my observations will be largely speculative.

After setting forth the provisions of the laws regulating their organization and controlling their operation, I will consider briefly the place of the Trust Company in the financial system of the Pacific Northwest, their opportunities for usefulness, and their probable growth.

It should be remembered that the Pacific Coast States are all what are termed Code States; that the Common Law of England is neither the controlling factor in judicial decisions nor legislative enactments.

The Common Law maxim of "time out of mind" has no place in States of so recent an origin. The law of the land is therefore legislative enactment as modified and defined by judicial construction.

Of the three States comprising the Pacific Northwest, Oregon, Washington and Idaho, but two of them, Washington and Idaho, have enacted legislation regulating the organization and management of Trust Companies, and these laws are of too recent a date to admit of any judicial construction or practical experience as to their adaptability and value; the so-called Trust Company law of the State of Idaho having been passed in 1901, and that of the State of Washington, March, 1903.

IDAHO.

The Idaho statute, approved March 16, 1901, is very short, containing but six sections; broad as to power and privileges granted, but lame in restrictions and safeguards. Under the provisions of this act trust companies are authorized—

To furnish abstracts of and insure titles to real estate.

To act as trustee, assignee, receiver, guardian, executor and administrator, and take and execute trusts of any nature not inconsistent with the laws of the State or of the United States.

To act as fiscal or transfer agent of any State, municipality, body politic, or corporation.

To take, receive and hold any and all such pieces of real estate as may be the subject of any insurance made by such company, with power to grant, bargain, dispose or sell, as may be deemed proper.

To purchase and sell real estate and take charge of the same.

To become security for the payment of damages that may be assessed and directed to be paid, for lands taken for the building of any railway, or for the opening of any streets and roads, or for any purpose whatsoever where land or property is authorized to be taken.

To become security upon any writs of error or appeal.

So much as to the powers of Idaho trust companies. As to the restrictions and safeguards, there are practically none, except that the paid up capital of companies organized under this act must be at least \$25,000.

There are no provisions regulating or requiring an examination, periodical reports, publication of statements or supervision of any nature whatsoever. The growth of trust companies has been very slow in Idaho, there being at present but two operating in the State—viz:

	Capital.	Organized.
Idaho Trust Company of Lewiston.....	\$90,000	1902
Coeur d'Alene Bank and Trust Company,		
Coeur d'Alene		1903

From correspondence I have ascertained that their business at present is confined to that of a regular com-

mercial bank, receiving deposits and making commercial loans, the fiduciary power being but seldom invoked.

OREGON.

There is no special law regulating the incorporation of either bank or trust companies in the State of Oregon, all such companies being organized under the general corporation law of the State; nor is there any provision in the general laws that will permit corporations to act as executor, guardian or administrator; so that the custom in that State has been, when any fiduciary business is entrusted to a trust company, to have one of its officers appointed by the court, the company furnishing the necessary security, and the business carried on the company's books, just as though the company was acting itself.

Neither banks nor trust companies organized under the laws of Oregon are required to publish statements, make periodical reports or submit to any examination or State control.

Nevertheless, hampered as they are, their business is steadily growing. The trust companies at present doing business in Oregon are:

	Organized.	Capital.	Deposits.
Portland Trust Company.....	1887	\$300,000	\$500,000
Security Savings and Trust Company..	1890	250,000	3,000,000
Pacific Trust Company.....	1902	52,000	.....
Title Guarantee and Trust Company... ..	.....	.....	.....
Security Abstract and Trust Company. . .	.....	.....	.....

The business of the last two companies being largely devoted to the searching and insuring titles, and managing and selling real estate. All these companies are located in Portland, a city that for years had undisputed control of the trade and commerce of the Pacific Northwest. Notwithstanding the rapid growth of the leading cities of Washington—Seattle, Tacoma and Spokane—the trade and commerce of Portland is increasing by leaps and bounds, and its banks, trust companies and financiers are leading factors in the development of that great territory:

"Where rolls the Oregon, and hears no sound,
Save his own dashings—"

WASHINGTON.

Up to June 17th of the present year the conditions as to organization and management of trust companies in the State of Washington were practically the same as in Oregon.

They were organized under the general corporation act, the only restrictions being a minimum capital of \$25,000, of which sixty per cent. had to be paid in, and the double liability of shareholders. An annual report to the State Auditor, setting forth *in extenso* their resources and liabilities, was also required. The Trust Company proper as distinguished from a bank, in the State of Washington, was created June 17, 1903, when the act passed at the spring session of the Legislature came into effect.

Notwithstanding the fact that a number of trust companies—viz:

	Capital.	Surplus.	Deposits.	Inst.
Fidelity Trust Company, Tacoma	\$300,000	\$40,000	\$1,600,000	1889
Spokane and Eastern Trust Company of Spokane.....	100,000	.....	3,000,000	1890
Walla Walla Safe Deposit and Trust Company, Walla Walla	25,000	.....	.....	1890
American Savings Bank and Trust Company, Seattle..	200,000	.....	250,000	1901
Northwest Trust and Safe Deposit Company, Seattle.	25,000	.....	100,000	1902
Everett Trust and Savings Bank, Everett.....	25,000	.....	.....	1902

had been organized and were transacting business under the general corporation laws, there was a great divergence of opinion among the judiciary of the State whether in the absence of express statutory authority, such companies could be appointed as executor, administrator, guardian or act in any fiduciary capacity; some of the courts ruling affirmatively and some granting conditional powers, while others denied absolutely all such privileges.

Strange as it may seem, the question has never yet been brought to the Supreme Court of the State for final adjudication. The courts of my county have uniformly held that a corporation, being an artificial person created by law, could perform any and all acts that a natural person could perform, and the Fidelity Trust Company of Tacoma, the institution with which I have the honor to be connected, has been frequently appointed executor, guardian, administrator, or administrator with the will annexed, and such trusts have been duly executed, accounts settled and approved, and the company discharged. We have, however, been refused appointments in other counties. Necessarily, therefore, the business of trust companies in Washington, as in Oregon, has been chiefly that of a bank, and all such companies now transact a regular banking business as well, receiving deposits general and special, and making regular commercial loans as well as loans based upon collateral. They all have saving bank departments and are members of the local Clearing House, and stand on even footing with other financial institutions in the State.

In order, however, to settle the question definitely so that fiduciary powers could be conferred upon them without question, and particularly to facilitate the organization of the Washington Trust Company in the City of Seattle, a considerable part of whose capital was to come from East, and which is now in successful operation, with a capital of \$300,000 and surplus \$200,000, a very carefully worded and safeguarded measure was introduced in the legislature last spring and finally passed and approved by the Governor. One of the amusing incidents of its passage was the stout opposition it received from many members owing to their fear of the word "trust," many of them imagining that some huge combination in restraint of trade or commerce was contemplated. The act was very carefully drawn and its provisions are based principally upon the existing laws of New York, New Jersey and Massachusetts regulating such companies.

The powers granted to companies organized under the act are very broad, comprising in fact every power enumerated in the laws of the States above named, so I will not burden you with what would only be a vain repetition. Suffice it to say, a trust company in the State of Washington organized under the act of 1903 can act in any fiduciary relation, execute or perform any trust either by appointment of court or individual. The restrictions and safeguards are drawn with equal care, the principal ones being:

That in cities of over 25,000 inhabitants the capital stock must not be less than \$100,000. Before a company can transact any business the Secretary of State must examine it to ascertain if its capital is fully paid in cash.

The directors must each own not less than ten shares of stock and subscribe to an oath similar to national banks.

It cannot loan to stockholders its trust funds, nor make a loan upon the security of its own stock.

The interests of depositors are safeguarded along the same lines as national banks, and every Trust Company is under the strictest surveillance and supervision of State officials; their solvency and sound management are insured by a rigid system of inspection; all books, records, papers, loans and instruments being open to the inspection and examination of State officials at any moment and without notice. The examiner has power to administer oaths to the officers and employees; the company

must make and publish statements of its condition, verified by the oaths of its officers.

The Trust Company movement, as I said in opening, is of too recent birth in the Pacific Northwest to have achieved a position in any degree differing from a bank, in our financial system, save only in those localities where the courts have extended to them fiduciary powers, but it is easy to see that the times are now ripe for their extended usefulness.

It is universally conceded that the twentieth century will be noted as the period of the world's great struggle for commercial supremacy and that the arena of that conflict will be transferred from the Atlantic and Mediterranean to the Pacific and Yellow Sea. The United States, commanding as it does the Hawaiian and Philippine Islands, the most important strategic points in the Pacific, occupies a most advantageous position, destined to make this nation the ruling factor in that great struggle. The possible, n.y., the probable, extent of that commerce is beyond comprehension. Without encroaching upon the great city of San Francisco sitting complacently at the Golden Gate watching the wealth of the Orient pour over its docks, it must still be acknowledged that the Pacific Northwest is rapidly developing into a most important factor in the commerce of the Pacific.

The aggregate commerce of the Orient with the Occident in 1902 was considerably over two billions of dollars, that of China alone being over \$300,000,000. Out of this vast commerce the United States had less than ten per cent. Yet is it not clear that when Congress and the people of the United States awake to a full realization of the grandeur of their destiny, and the greatness of their opportunities, considering our central position between the Atlantic and Pacific, our excellent transportation facilities, our varied and inexhaustible resources, and the steadily increasing dependence of the world upon us for the necessities and even many of the luxuries of life, we will see the enactment of such legislation as will in but a few years re-establish our merchant marine, cover the Pacific with great vessels, bearing at their peaks the Stars and Stripes, and pour into our treasuries wealth incalculable.

In the development of this vast commerce great will be the opportunities for usefulness for the trust companies of the Pacific Northwest, and when it is considered that the area of the three States, comprising that territory, is over 250,000 square miles, an area equal to that of the New England and Middle States combined, with Maryland, Virginia and West Virginia thrown in, it is not difficult to imagine how great will be their growth in the near future. No section of the United States contains within its boundaries more varied or extensive resources—riches are there in all forms, requiring from man but little more than the effort of lifting his hands in order to secure them. He may pluck gold from the wealth of trees that adorn its western slopes; take it from the watered gardens of its eastern plains, which far surpass in fertility the world famed valley of the Nile; dig it from the hillsides in the form of minerals or dip his seine in the great Columbia River, or in the deep bowl that holds the waters of Puget Sound.

Upon the trust companies will ultimately devolve the work of financing the great enterprises that will develop these abundant riches and resources. The four great natural resources of agriculture, lumber, mining and fishing in the States of Oregon, Washington and Idaho, added to the material wealth of the United States in 1902 nearly \$250,000,000 in gold, an increase of nearly \$50,000,000 over the preceding year, an amount that will be rapidly increased with the completion of the great irrigation enterprises now being instituted and fostered by the wise decision of Congress and the general Government to "impound the floods and reclaim the arid lands."

The future is bright with promise for the Pacific Northwest and will see the establishment of great steamship lines, immense iron and steel plants and a countless number of manufacturing enterprises to supply the wants of a rapidly growing commerce, and in assisting the growth and development of all these, the trust companies of the Pacific Northwest may be depended upon to do their part.

Detailed Report of Proceedings.

Seventh Annual Meeting TRUST COMPANY SECTION, held at San Francisco
Oct. 20.

DETAILED PROCEEDINGS.

The Trust Company section met at ten o'clock A.M. in the California Theatre, Mr. E. A. Potter, Chairman of the Executive Committee, presiding.

The Chairman: Gentlemen, I regret exceedingly that our Chairman is not present. In his absence I will do the best I can.

It is evident that our numbers here this morning are hardly commensurate with the capacity of this room, and I would suggest that the gentlemen in the rear come forward. If they do so, they may be able to hear a little better.

The first business is roll call by the Secretary. As this is rather a tedious proceeding, and as it has usually been dispensed with, I will ask what is the pleasure of the meeting in regard to the roll call?

(Upon motion, the roll call was dispensed with.)

Address of Welcome, by Mr. F. J. Symmes, President of the Central Trust Company of San Francisco.

Mr. Chairman, and Gentlemen of the Trust Company Section of the American Bankers' Association:

To me has been assigned for a few brief moments the pleasurable duty of extending to you a greeting from the trust companies of California, and from the citizens of San Francisco.

You find us here as a city fairly started in a career of great promise. But cities are not built in a day, or in fifty years. It is nearly two thousand years since the Romans first established their camp upon the bank of the Thames and started the foundation of the great city which has become the metropolis of the British Empire, and it is 240 years since New York first took over the little village of New Amsterdam, and started upon her metropolitan career. San Francisco has had scarcely fifty years since she first took herself seriously, and realized that she was to become a city of importance in the world. Her early life was a rugged and strenuous existence, and for a few years the city consisted of a few shacks and tents upon the beach by the side of this beautiful bay, simply an abiding place for men who came from all parts of the world seeking not San Francisco, but the nuggets and gold dust found in the hills beyond. San Francisco was a stopping place, a place to buy their picks and shovels, their pots and pans, and a place where they might stop on their return and gamble away a little of the dust which they had received in the mountains. It was twelve or fifteen years before we had more than one mail a month, and that going out through the Golden Gate, down around the Isthmus of Panama and to New York. It was not until 1858 or 1859 that we obtained the Pony Express, which gave us an opportunity to send a half ounce letter for five dollars across the continent. A little later the great railroad was established, and in 1869 we looked forward to a sudden development of the country. But the railroad interests were not purely and entirely the interests of the country, and for many years their interests were rather to restrain our growth than to stimulate it, and, we may say, it has only been within the past very few years that the railroads have realized the importance of the development of the country itself, and that we have had what might be called a fair chance for the development of the city and the State. That time has come, the future of San Francisco is assured. It must be evident to you, as it is to all who visit us, that

the opportunities of the future are remarkable. And while we have in the State a million and a half of people, and 155,000 square miles, only about ten inhabitants to the square mile, the opportunity is presented to us for that enormous development which has come to the Eastern States and to other countries with far less natural opportunities and attractions than we have here, and it is safe to say that the development here will be enormous in the future; and when the time comes that we shall have, as we shall naturally have, the inhabitants, not ten to the square mile, but one hundred or one hundred and fifty to the square mile, as you have in the Eastern States, San Francisco will be a city of five millions or six millions, and the State a State of twenty-five millions or thirty millions.

In the names of the trust companies of California, the citizens of the State, and the citizens of San Francisco, I extend to you a hearty greeting. We welcome you now for the day or week, and we shall welcome you again, as we have yet to learn of those who have visited us who have not been anxious to come again. (Applause.)

Reply to Address of Welcome, by Mr. E. A. Potter, President of the American Trust & Savings Bank, Chicago, Illinois.

Mr. Potter: In the absence of our distinguished Chairman, Mr. Borne of New York, it becomes my privilege to respond to the cordial welcome which you have so gracefully extended to the American Bankers' Association.

The name "California" is synonymous with all that is broad and generous. Our journey here has shown us that your State is both long and broad, and we have already experienced the generosity of the hospitality of your city.

But how could it be otherwise, living as you do in a climate where the sun always shines on a soil abounding in all the rich and good things of the earth, with your river beds and mountains filled with gold, your valleys and hillsides yielding crops of grain and fruits unequalled in other portions of the earth; with a harbor not only of surpassing beauty, but of capacity sufficient to bear upon its bosom at one time the combined navies of all the nations of the globe? With your wonderful Yosemite big trees, hot springs, roses in winter and snows in the mountains in summer, your State has become the Mecca toward which the tide of travel from the East turns yearly with ever increasing volume.

Standing guard at the Western gateway of this great and prosperous nation, the commerce with the Orient largely in your control, surely San Francisco is blessed above her sister cities with riches that are, and still more that are to come.

Your people are cosmopolitan, composed of the most enterprising from all lands—hence broad-minded and liberal.

We accept your welcome, and thank you for it with the same sincerity with which it is tendered. We are glad to be with you, knowing that we will learn much from you and of you, and that when our visit is over we will leave with the knowledge that your hospitality is as boundless as are the resources of your magnificent State. (Applause.)

The Chairman: The next business in order will be the reading of the report of the Secretary.

Report of the Secretary.

New York, Oct. 1st, 1903.

To the Members of the Trust Company Section:

Sept. 1st, 1902.	
Balance	\$2,795.09
Received from sale of Trust Company forms.....	208.08
	<u>\$3,003.17</u>

Expenses meeting of the Executive Committee, New York	\$144.00
Buttons for New Orleans Convention.....	40.00
Proceedings, 1902.....	226.92
200 programmes.....	10.00
Reporting New Orleans Convention.....	25.00
By draft Beacon Trust Company, Boston, Mass. returned.....	12.00
Other disbursements.....	25.00
	<u>483.25</u>

Balance

Sept. 1st, 1902, there were 414 members in the Trust Company Section; 16 of these have withdrawn since that date; but as 103 members have been added to our rolls, the net gain is 87, making a total membership of 501, an increase of 21 per cent.

Respectfully submitted,

JAS. R. BRANCH,
Secretary.

Upon motion, the report of the Secretary was accepted and filed.

The Chairman: The next business in order is the report of the Executive Committee, which devolves upon me.

Report of Executive Committee.

To the Trust Company Section of the American Bankers' Association:

Your Committee note with pleasure the growth in interest in this section of the American Bankers' Association as evidenced by the steady increase in membership, which at present numbers about 500, as against 114 in 1897. While the Trust Company is essentially an American institution, no similar organizations existing in other countries, it is manifest that Trust Companies have become permanent and very important factors in the financial affairs of the United States. Their aggregate capital amounts to nearly two hundred million dollars, and their combined deposits more than one billion five hundred millions (\$1,500,000,000). That it is wise for officials of companies having in their charge such vast sums of money to maintain an organization or association and meet together at least yearly needs no argument.

There is now hardly any important corporate enterprise undertaken that the services of a trust company are not enlisted, and in the older cities the trust companies are charged with the administration of estates, the responsibility of which is far greater and more sacred than any other that can be undertaken in business capacity. The opportunity to meet together and compare notes as to methods in vogue in different sections of the country in the conduct of this very important business, the influence that combined effort can exert in bringing about uniform laws in the various States, can be made of incalculable benefit, and your Committee express the hope that each member here present will leave this meeting with renewed zeal and a determination to interest others actively in the work.

Respectfully submitted,

EDWIN A. POTTER,
Chairman Executive Committee.

Upon motion, the report of the Executive Committee was adopted.

The Chairman: The next thing in order is the paper on "Escrows," by Mr. Philip S. Babcock, Trust Officer of the Colonial Trust Company, of New York City.

"Escrows: A Varied and Profitable Feature of Trust Company Business."

[Mr. Babcock's paper in full will be found on pages 1676 to 1678 of this publication.]

The Chairman: There is a report of the Committee appointed to investigate the subject of Auditors of Trust Companies. It is quite a lengthy document and has been reduced to type and is here in bound form. I think it would tire you to have it read, and I think no doubt you

would all prefer to have a copy to take with you and read it at your leisure. Therefore, with your permission, we will omit the reading of that paper and distribute the printed copies of the same.

Report of Special Committee Appointed to Formulate a System for the Audit of Trust Companies.

To the Executive Committee, Trust Company Section, American Bankers' Association:

Your committee, appointed at a meeting held April 22, 1902, charged with the duty of framing and printing a system for the daily audit of Trust Companies, begs leave to report as follows:

At the time of its appointment, your committee was under the impression that many Trust Companies throughout the country had in their employ an officer whose sole duty was to audit the affairs of his company, and the committee understood its duty to be the study of the various systems used by these officers, culling the best methods from each, and formulating the best points so gathered into a complete system that could be adopted by any Trust Company. Such a report, it was thought, would be of great value to the members of the Trust Company Section.

It immediately became apparent to the committee, however, that it was laboring under a mistaken impression. It began its labors in New York, and at once discovered that not a single company in the entire city had in the past employed an auditor strictly so called. Each company in New York had most excellent methods of checking its accounts and safeguarding its assets. Each company had periodical examinations made either by a committee from its Board of Directors or by an expert accountant or audit company employed for the purpose. The methods of the companies varied greatly, but all strove to accomplish the same result. One company had recently taken into its employ an officer called an auditor, whose ultimate business it would be to make daily audits of the company's affairs, but who had not, at the time of the inquiry of the committee, put his plan in operation.

Turning elsewhere, and making inquiries in various sections in the United States, the committee found the same diversified treatment of the subject. As a matter of fact, very few companies employ auditors, but it is fair to say that those who do have an officer whose sole business it is to audit the affairs of the company are loud in their praises of the plan and declare that under no circumstances would they be without such an officer.

Your committee finally arranged for a meeting in Chicago, in February of this year, with Mr. E. C. Jarvis, auditor of the Northern Trust Company of Chicago; Mr. T. R. Robinson, auditor of the Fidelity Title and Trust Company of Pittsburgh, and Mr. Claude Hamilton, auditor of the Michigan Trust Company of Grand Rapids, Mich., and to these gentlemen the committee is greatly indebted for valuable information and assistance.

On going into the whole subject very carefully at this meeting in Chicago, it soon became apparent to your committee that it would be quite impossible to formulate any system of auditing that would be applicable to the affairs of all trust companies, for the reason that a system suitable for a large trust company, carrying on a general trust business and banking business in New York or Chicago or other large city, would be practically useless for a small company, carrying on the trust business pure and simple in a small town. As a general statement it may be said that the business of each Trust Company differs from the business of the other Trust Companies—nearly every one has its specialties—and these differences are so very wide and so very marked as to cause the greatest variety in the methods of keeping accounts, records, etc.

With all these points in mind, your committee found itself wholly unable to carry out your instructions, but in order that the members of the Trust Company Section may have the benefit of the information gathered by the committee it has determined to append hereto the suggestions of the three auditors referred to above, each in the form of a report, and recommends to the officers of all Trust Companies a careful study of all three. And from these reports the committee further recommends that each company make up a plan of audit suitable to its own affairs and that an auditor be employed to carry out the plan so devised.

The committee begs further to recommend the adoption of certain so to speak elementary safeguards which can be utilized by all Trust Companies, large or small. It is recognized that one of the greatest dangers of speculation consists in a private conspiracy between the paying tellers and bookkeepers' departments. In order to make this difficult it is recommended that the bookkeepers be frequently shifted, as, for example, the bookkeeper having charge of ledger A-K should be transferred say to ledger S-Z. In companies of sufficiently large size to warrant it, the system of double ledgers should be installed, one being a record of all the daily transactions of the customers, the other showing only the daily balances—each two ledgers, however, covering the same portion of the alphabet. In a particular Trust Company in the minds of the committee, a certain bookkeeper has charge of regular ledger A-K and skeleton ledger (that showing only balances) S-Z. This bookkeeper always has charge of two ledgers, but never of the two ledgers covering the same deposits. It will be seen that frequent changes make im-

possible any extended conspiracy between the bookkeepers and paying tellers' departments.

Several companies with whom the committee came in contact offer a premium for the paying teller's accuracy. In all Trust Companies or financial institutions where money is paid over the counter the paying teller's cash runs over or short during the year. In the companies above referred to the incentive for correctness is created by offering to the paying teller a bonus, payable at the end of the year, if the difference in his cash are not greater for the year than a certain minimum amount fixed by the officers of the company.

The reports appended hereto treat at length on the dual system of the custody of securities. Your committee regards this system as most important and recommends that it be instituted in every company where it is possible to carry out the plan. The custody of all securities should lie in two officers, neither having access to the securities unless accompanied by the other.

The committee is impressed with the importance of an audit system and unhesitatingly recommends its adoption as a matter of necessity and importance.

ANTON G. HODENFYL,
JOHN E. BORNE, Committee.

New York, September 15, 1903.

SUGGESTIONS FOR A METHOD OF AUDITING TRUST COMPANIES FOR THE USE OF THE COMMITTEE APPOINTED BY THE TRUST COMPANY SECTION OF THE AMERICAN BANKERS' ASSOCIATION.

First: An Auditor to receive his authority from the President and Board of Directors, to whom he shall report periodically the result of his examinations; Auditor to be free from all control or suggestions of other officers as to method and time of making examinations; Auditor's staff of assistants to be under his control exclusively.

Second: Joint custody by two officers of all securities, which joint custody must be maintained at all times. When securities are removed from the vault for any purpose, a form should be left in compartment from which the securities have been removed, giving a list of same, to whom delivered and for what purpose; this form to be signed by both officers. The securities should be replaced before close of business on the same day, or satisfactorily accounted for. This will apply to Trust funds only, as it is not always practicable in the banking department, except as to investments. The working out of the detail of such an arrangement must be left to each company, as its practicability depends entirely upon the officers and the vault space and conveniences. That it should be done, however, I consider most important.

As the detail is somewhat different, I shall consider separately the Banking and Trust departments.

TRUST DEPARTMENT.

(a) When a Trust is accepted the Auditor should verify the securities and property turned over, as shown by the Trust agreement, and follow up this initial examination by seeing that proper entries are made in the various books.

(b) A daily audit should be made of all payments of money or transfers of securities, as shown by daily transactions in the cash book and journal which have been made from slips or tickets initiated by an officer or some authorized employee, or from other books; the slips or tickets to be properly defaced by the Auditor in such manner as would preclude any possibility of their being used a second time.

(c) A periodical examination should be made of all securities held for the various Trusts at irregular and unknown intervals; said securities to be compared with the individual Trust ledgers, and the grand totals with the accounts in the general ledgers.

In making an examination of securities I would consider the following points essential:

Bonds: See that they bear every evidence of genuineness, signed by trustee, etc., and that proper coupons are attached.

Stock Certificates: See that they are signed by the proper officers and bear the corporate seal of the company. I have in examinations at different times come across certificates without the signature of one of the officers or without the seal of the company. Where stocks are held as collateral, be sure that assignment is regular, so that the certificate may be a good delivery.

Notes Secured by Trust Deed or Mortgage: See that notes are identical with those described in the deed and are indorsed, and that the Trust deed bears the certificate of registration by County Registrar.

Mortgages: See that the assignment is regular and recorded.

(d) Examine all bank accounts and verify the balances.

(e) Check in each Trust account all income accruing, as shown by the Trust securities record. This should be done daily by the Auditing staff as the income becomes due. Where real estate is handled, the rent roll should also be checked daily, and if the extent of the business warrant one of the Auditing staff should visit the premises which have been rented at one time and are reported vacant by the books in the real estate department. Where tenants are shown in arrears for rent, a notice or statement should be sent to each person by the Auditing department, with the request that an explanation should be

sent direct to that department. For checking income, both for Trust and investments, I use a card tickler, showing dates of maturity of all income from which are checked credits to income in the various accounts. As all entries for purchase or sale of securities pass through the hands of the Auditing staff in the general checking, the necessary changes are made at the time and the cards are always up to date.

(f) All statements of account as sent to beneficiaries under Trusts should be examined by the Auditing staff and compared with the ledgers before being sent out.

(g) Examination of salary account and other expenses, with vouchers.

BANKING DEPARTMENT.

(a) Daily Routine: In the daily auditing of the general books I include checking of the additions of all remittances, draft and certificate registers and other subsidiary books from which entries are taken. It may be proper to say that no entries for the general books shall be taken from the teller's cash book. I hold it as a fundamental principle that no entries should be made by a teller other than those necessary for him to make in his own blotter or cash book for the purpose of balancing his cash.

(b) Teller's Cash: The teller's cash should be counted frequently, the oftener the better, taking care to examine at the same time the items which he has charged to the clearings or cash collections, both as to amount and the nature of the items.

(c) Clearings: Checks charged to the clearing house should also be carefully examined and balanced as often as considered necessary.

(d) Loans: Should be balanced and notes carefully examined to ascertain that they are properly drawn. Also that partial payments and payments of interest have been indorsed. When secured by collateral, the latter should be examined in the same manner as detailed in the Trust department, and where possible, the value of it determined to insure that the loan is fully secured.

(e) Investments: All stocks and bonds held for investment should be examined in the same manner as described in the securities in the Trust department.

(f) Bank Balances: In adjusting the bank accounts I adopt the following method: All advices received from banks of amounts credited (except collections) are turned over to the Auditing department. These advices are compared with the remittance registers to insure that the whole amount of remittance, as shown by our books, has been credited or accounted for. As the additions of these remittance registers had already been checked and the totals as carried into the general books compared, I think the ground is fully covered for the time being. At the end of the month, or whatever periods statements of accounts are rendered, the statement is adjusted and all outstanding entries reconciled by me personally, before signing report of its correctness.

As foreign banks generally charge up drafts to account of the drawing bank upon receipt of advice, instead of upon payment of draft, I always have the advices compared with the draft registers before they leave the office, initiating both advice and register, with this exception, foreign bank statements of account are adjusted in the same manner as those of domestic banks.

(g) Cash Items: By cash items I now refer to checks received and certified to customers and forwarded for collection and remittance to points where we do not keep accounts. After taking off a balance of this account, there are two methods of verifying the outstanding items: By forwarding a detailed list to each bank of the items outstanding on date of examination and asking them to verify same if on hand or in transit on that date; or by marking them off as returns are received. I prefer the former; the latter, for various reasons, is unsatisfactory, at least I have always found it so.

(h) Individual Ledgers: Individual ledgers should be balanced at irregular and unknown (to bookkeeper) dates. The following plan is adopted here: Ledgers are balanced daily and a list of the balances given to the paying teller for his guidance. Next day these lists of balances are turned over to the Auditing department and put under lock and key, so that they can be compared at any time or on any date, without the knowledge of the bookkeeper. Where other systems are followed other methods of auditing would have to be adopted.

Changing bookkeepers from one ledger to another at frequent intervals and without notice is also an excellent deterrent to any one predisposed to dishonesty, and is a custom that has been followed by us for a long time.

(i) Savings Accounts: In checking the work in the savings ledgers I enter more into detail than in the commercial accounts. Withdrawals as shown by withdrawal receipts and the deposit tickets are checked daily into the respective accounts and are also checked with the entries in the journal which is footed and the totals as carried into the general books compared. The ledgers are balanced at intervals also.

(j) Certificates of Deposit, Cashier's Checks and Certified Checks: Balances of these accounts should be taken off from the items shown as outstanding in the registers. As the entries in these registers have been made from the regulations initiated by the officers or employee who signed the document, by a clerk other than the one who received the money, and the additions and the total as carried into the general books have

already been checked daily, while the payments have also been checked daily from the particular check or certificates which have been canceled by a member of the Auditing staff, I consider there can be little chance of manipulation by any dishonest employee. Great care should be exercised to properly cancel a paid check or certificate to preclude all chance of its being used a second time. All spoiled forms should be accounted for and initialed for opposite the respective number in the register, or on the counterfoil or stub, if such are used.

(h) Collections: A difficult department in a bank to safeguard, as there is nothing to balance with, unless collection accounts are kept in the general ledger, which is so cumbersome and entails so much labor that I believe it is not generally followed in this country. The most efficient way to audit this department is to put a member of the Auditing staff in charge of it for a time, say during the vacation season for a couple of weeks; any irregularities are then likely to turn up.

(i) Closing entries: The closing entries for the quarter, half year or year, as the case may be, carrying the profits and expenses into profit and loss account should be carefully examined and verified.

All calculations of interest on demand loans, accrued interest on certificates of deposit and unearned interest on bills discounted should be checked before the closing entries are made, but this should be a part of the routine work of the office and belongs more properly to the accounting department.

It is not always easy to define the line dividing the responsibilities of the accounting and Auditing departments. The two should always be in close touch with each other. It certainly should be within the province of an Auditor to watch closely the system of accounting to see that no lax or dangerous methods are permitted to creep into an office, while to the former falls the disposal of the clerical force, the arrangement, division and efficient performance of the routine work. A proper division of the work among the clerks with a due regard to safety should always be the aim of both Auditor and accountant, and this division and subdivision is, if intelligently made with that aim in view, one of the best preventives of systematic defalcations. With a proper system of accounting a portion of the auditing becomes almost automatic. Without such a system no method of auditing ever devised can be effective.

E. C. JARVIS,

Auditor Northern Trust Company, Chicago.

SUGGESTIONS IN RELATION TO THE WORK OF AN AUDITOR OF A TRUST COMPANY.

1. The Auditor should be subject to the instructions of only the President or Board of Directors, or of both; and he should not engage in nor assist in any of the work of the company at the direction or request of any authority other than these.

2. He should familiarize himself with every branch of the work of his company so thoroughly that he should be able, always at his own suggestion or volition, to assist, or indeed to take the place of, for a brief period, any clerk or subordinate officer. And practical application of this feature will be of great value in the general effectiveness of his work.

3. He should keep a daily journal of his work; this for the inspection of the President or Board of Directors, if they wish to so inspect, and also for his own use in informing himself as to the periodical completeness of his audits. He should also make such reports to the President or Board, on general or upon particular matters, as the President or Board may desire or direct.

4. It is not necessary, and it is often not best, for the Auditor to work out to completeness any branch of audit undertaken at any given time. Sections of any branch of audit may be done at different times. His journal will inform him as to the completeness of audits, as referred to in paragraph No. 3.

5. The Auditor should be furnished with the daily or other statements of the condition of the company, and a special feature of his duties should be the investigation of such statements as often as may be practicable, to the end that he may satisfy himself and be able to satisfy the President or Board that such statements truly represent what they claim to do.

6. An Auditor should have the courage to ask the most pointed questions of officers and employees, and to call for the instant productions of papers or books; and on account of this feature an Auditor needs to possess and exercise the greatest tact, so as not to make himself offensive nor unduly troublesome.

7. The extent of an Auditor's work in a thorough checking of entries in cash books, journals, ledgers and other records must be determined by the force of assistants at his disposal, whether one or more of such assistants, or none. His journal will indicate very clearly whether his work is satisfactory to himself and to his superiors, consistent with the facilities given him.

8. An Auditor must take and work upon the system of accounts in force with his own company as he finds it. And as each company differs to a larger or smaller extent from others in system, and as each system has its features of more or less weakness, comparatively, an Auditor should direct his best watchfulness upon such supposed weak points in the system of his company.

9. The Auditor's journal should contain suggestions and recommendations as to changes in system which in his judgment

are desirable. In this way and in addition by timely mention to the President, he will place himself on proper record. Should trouble come to his company, the Auditor will stand or fall principally, of course, according to the merits of the particular case, but also according to the degree of diligence in his work as shown by his journal, and also to some extent according to whether his proffered recommendations have or have not been adopted.

10. From all ledgers and other books capable of such test, trial balances should, of course, be taken at proper intervals, and such trial balances should be promptly and regularly filed with the Auditor. There are also features involving the collection of certain revenues, such as rents for instance, concerning which written statements can be made, which statements should be made and filed with the auditor. And all of such trial balances and statements should be certified as correct by the person immediately in charge. The Auditor should endeavor to secure such signed trial balances and statements from as many departments of the company as is at all possible. It is presumable that in many cases intending wrongdoers will hesitate, with good results, before certifying a false trial balance or statement. It will probably not be possible for the Auditor to check and verify all of such trial balances and statements; as to which of them shall be verified is a matter for the judgment of the Auditor.

11. For reasons indicated in paragraph No. 8, it is regarded as very difficult, if not impossible, to detail a uniform system of auditing Trust Companies so as to cover all the various branches and include new matter always liable to arise; so that the writer of this paper feels constrained to touch upon but few specific points, as follows:

12. Deposits: With Trust Companies where two or more individual bookkeepers are employed upon several ledgers, the bookkeepers should be changed about from the different ledgers at intervals, all according to the direction of the Auditor. Also, no company should allow pass books to be balanced by the individual bookkeepers; such balancing should be done by an entirely different clerk. Then with these safeguards the Auditor in his examinations will check trial balances with ledgers. He will also have an easy access for the examination of particular accounts to which his attention may be attracted, the files of deposit slips and the files of paid and canceled checks. He will have for mailing, personally and without the knowledge of others, to depositors whose accounts may attract his attention, a notice requesting a prompt sending in of the pass books for balancing; such notice to be properly worded so as not to excite suspicion. He will have free and easy access to the signature and address records giving the addresses of all depositors. He will try to require the constant correcting of such addresses, to the end that he may at all times be in shape to promptly communicate with the depositors.

13. The last part of the preceding paragraph should be applied generally to all the departments of the company to the same end as is there indicated.

14. Loans: The examination of loans should be done in the usual way, the inspection of paper, the examination of the collateral, the checking with the trial balances, the comparison with the ledger account, etc. This branch of the work should include the examination of the interest payments upon loans. For the accounts of brokers working under general collateral agreements instead of specified notes, the best method of auditing is to have the Auditor at proper and practicable times make a list of collateral actually on hand as he finds it and to take such list to the broker's office and check same with the broker's books.

15. Examination of Trust Securities: The system of the company should provide for advising the Auditor, or for enabling him to otherwise know, of the entrance of new Trusts upon ledgers, and he should thereby verify such entries of new Trusts by checking with the original inventory or other satisfactory evidences. Thereafter the Trust ledger accounts should be the data for him with which to check the securities in his periodical examinations of same. In large Trusts and of long standing, where securities have been much changed by increasing or decreasing or disposal, checking with the original ledger entries is difficult. With most Trust Companies there are secondary accounts kept, ledger or otherwise, showing the net securities at present on hand; such for instance as the card system, having a head card for name of estate and a card following for each security with all particulars of same thereon, kept corrected to date. The Auditor may, for greater expedition, take such secondary accounts for checking with the securities, provided such secondary accounts are not accessible to the persons having access to the security safes; but even then there should be occasional checking between such secondary accounts and the original matter in the ledgers. As to a proper custody of securities, Trust and otherwise, during examinations, it is very difficult to find a satisfactory method that is really practicable in a large and busy Trust Company. The idea of the writer of this paper is that in all such examinations one of the chief officers of the company should appoint a subordinate officer or chief clerk of the company to be with the Auditor during such examinations, disallowing suggestions or request of the Auditor as to who such assistant shall be; the Auditor having the right to require the immediate appointment of such assistant whenever and as often as he, the Auditor, may request. The

writer of this paper considers a rule providing for dual entrance to security safes, for the changing of securities, etc., to be of the greatest importance. In the inspection of securities an Auditor cannot be expected to pass upon the legality of documents, but he should use his layman's mind for the catching up of irregularities, omissions in execution, etc., to the best of his ability.

16. General Ledger: In the banking department the Auditor should make periodical examinations of the general ledger, which is perhaps the fountain head of all the business of the company, by inspecting every account and by investigating such accounts of entries as may arrest his attention. He should keep a careful watch of every detail of the profit and loss account. He should also make similar inspections of Trust ledgers.

17. Journal Entries: No entries should be made in ledgers without first originating in cash books or journals, and for all journal entries the bookkeeper should first have, as his authority for making such entries, slip entries duly approved by a proper officer; and the Auditor should not pass any journal entries without such approved slip entries.

18. Loose Leaf Ledgers: Where such ledgers are used, the Auditor should see that all loose leaves when ordered are numbered in consecutive order, that proper registers are kept in the using of the leaves, that all persons receiving supplies of such leaves are properly charged with same, and that in this way every leaf ordered and received by the company is properly accounted for. Spoiled leaves, or leaves given away as samples, should be so indicated in the register, with the initial certification of two officers. The loose leaf ledger is one of the most convenient, and at the same time one of the most dangerous innovations of modern bookkeeping. But it has no doubt come to stay, and an Auditor should try to apply proper safeguards accordingly.

19. Receipts and Disbursements: As a general rule the Auditor will have evidences, of one kind or another, to satisfy himself concerning disbursements. He should scrutinize all such evidences with the usual proper care. The matter of receipts is more difficult to handle; but the Auditor should endeavor to see that all due income is properly accounted for; by proper dual system of sending out bills and the payment of same; by calling for signed statements concerning due income proving to be uncollectable; and by proper personal investigations.

20. The Audit of the Payment of Interest Coupons and of the Redemption of Bonds of Other Corporations: The System of the company should provide that the clerk in charge of such payments shall cancel such coupons and bonds each evening without exception; and that he shall thereupon pass such coupons, etc., to a second clerk for custody and for verifying as to count and total cancellation. This verification by a second clerk may be done on the next succeeding day. The length of time intervening before detection of fraud arising from omission of this dual feature of this rule varies with the frequency with which coupons are surrendered to customers, whether monthly, quarterly or semi-annually. The Auditor should count such coupons and verify with ledgers, to such an extent as he may have time and facilities so to do.

21. Escrow: The writer of this paper thinks that too little importance is attached in most companies to the proper entering and auditing of escrow matters; and that such that is recorded on slips, with however great care, should instead be made matters of permanent record. His idea is that there should be an imperative rule requiring all escrow matters to be detailed in proper ledgers, by a clerk designated for that purpose, to the end that the Auditor may be enabled to examine such securities, etc., the same as other securities of the company.

22. In connection with the examination of securities, Trust and company, a good arrangement is for the Auditor to do the work of clipping the maturing interest coupons. This work will take but little of his time additional to that of the audit work: it will provide opportunities for audit at each period of such clipping; and it will save a separate handling of securities for coupon clipping purposes by some other officer of the company.

23. The writer regards the system of his own company, the Fidelity Title and Trust Company of Pittsburg, in general and in detail, as a model in general excellence. In some details its particular system does not agree with the suggestions, etc., embraced in this paper; but the writer has had in view, in this paper, Trust Companies in general, and banks and Trust Companies and corporations with which he has had more or less experience in auditing.

T. R. ROBINSON,

Auditor Fidelity Title and Trust Company, Pittsburg.

SUGGESTIONS AS TO THE AUDITING OF TRUST COMPANIES.

The business of a Trust Company itself, and the various classes of business in which different Trust Companies engage, make it difficult to give any set rule or form for a complete audit.

In addition to the audit of the Trust Company's own assets, the various relations in which the Trust Company is acting as trustee, executor and other Trust capacities, each one of which is a business in itself, requires for it a special audit, and in the audit a consideration of that particular Trust.

The writer has therefore divided his suggestions as to making the audit under two heads:

1. The audit of the Trust Company's own assets.
2. Of the assets which it holds in Trust.

The business of the Michigan Trust Company is divided into five departments: Teller's or banking department, mortgage department, real estate department, Trust department, safe deposit vaults, besides the auditing department, which is a department in itself.

Each of the departments partakes of the daily system of checking which is in vogue with us.

RECEIPTS CHECKED.

Receipts from all departments pass through the teller's department each day, and are accounted for by entries in ink on tickets; entries are made from these tickets by the various clerks, on the auxiliary books in the different departments, such as the general ledger, the mortgage record, the rent record, the safe deposit record, and the general ledger of the Trust department.

These tickets are returned to the audit department every day at the close of business, and are checked with the teller's cash book the first thing the next morning; in this way all tickets representing receipts are accounted for and checked with the teller's cash book. The tickets are then filed.

VOUCHERS AUTHORIZED AND CHECKED.

Tickets for disbursements of expenses and all other items are O-K'd by an officer, and receipts of payees are part of the daily tickets which pass through and are examined by the Auditor. Disbursements for trust account are made by duplicate vouchers, the duplicate being used as a memorandum from which entries are made in the various books of record, and are returned to the audit department at the close of each day's business to check the teller's cash, the original being sent out for payee's signature and return.

All tickets, both for receipts and vouchers for disbursements, after having been checked with the teller's cash book, are inspected by the Auditor to see that the same have been properly made out, and that all entries have been duly made on the books of record of the various departments, we having adopted the system of having a check mark on each ticket made for each book of entry in a department. The Auditor from his familiarity with the system can tell by glancing at the ticket whether the entries have been made.

CASH.

At irregular intervals once a month, the cash in each department, the teller's department especially, is checked up and counted.

BONDS, SECURITIES, ETC.

During each month the bonds and other securities belonging to the company are checked, the actual bonds being counted and verified with the charge to bond account on the general ledger.

ACCOUNTS WITH RESERVE BANKS.

The accounts with reserve and other banks are reconciled the first day of every month.

MORTGAGES CHECKED.

The mortgages are gone over every month in the same manner as far as possible as the bonds, the notes being inspected for indorsement of principal and interest, and the total amount of the mortgages verified with the debt to that account on the general ledger.

INCOME DUE COMPANY.

To check the income due the company, such as interest on bonds, interest on mortgages, interest on demand and time loans, fees, due from the Trust departments, safe deposit vault, box rentals, we adopted a book in which could be entered each demand and time loans, providing columns for the interest maturities and principal payments. The mortgages are entered in the same way, and the fees from the Trust department in practically the same way, by giving a space for each Trust, a column for the payment of the fee and another showing the date on which the fee should be paid. The rentals from the safe deposit vaults are given a line for each number of box and the renter's name, a column for the maturity of the rental, and a column for the payment. This book is kept exclusively by the Auditor, and as the tickets which we have before mentioned are turned in for all the departments, he reserves the company's income tickets and enters them up in the various columns in this book. At the end of each month he goes over every income account carefully, such as demand and time loans, mortgages, trustee's fees and safe deposit vaults, and by glancing down the maturity column and the column in which the payments have been entered during the month, he is enabled to see whether every item of income due the company has been paid during that month. He makes a list of the items which are unpaid, and looks up each one for an explanation.

BALANCES OF PRINCIPAL.

He also balances his income record as to principal payments, his record of time and demand loans; mortgages and all other accounts appearing in his record being balanced each month with the debit appearing on the general ledger, which is a further check.

This will give as completely as is possible an audit of all the company's assets, and keep check on the items of income due the company.

MONTHLY INSPECTION.

A monthly inspection is given each department in addition to the above audit, to see that the various books of account are properly written up and that nothing is lagging.

INDIVIDUAL ACCOUNTS.

Our company does not engage in a general banking business, and has comparatively few individual accounts in comparison with other companies; so that suggestions from our auditing department would not probably be practicable for other companies, but the accounts which we have we purpose to have written up once a month and statement made to the depositor. Each of the statements of account as they are sent out are examined by the Auditor.

AUDITING OF TRUST ACCOUNTS.

Trust Statements.

It is our practice to render our statements where we are acting as trustee for individuals quarterly. As executor, administrator and guardian we are required by court to make an annual accounting.

TRUST INCOME.

The statement is drawn off in rough from the general ledger of the Trust department, and the Auditor goes over each statement, making an audit of that particular Trust as though it were a separate business in itself.

INTEREST AND DIVIDENDS.

All items of interest are compared with the last statement, to see if the annual and semi-annual or quarterly dividends and interest follow the income from the statement before, and that the income corresponds with the actual securities listed in the Trust.

RENTALS.

The rentals are compared with the rentals appearing on the rent record of the real estate department.

It has been found very hard in the matter of accounting for rentals to give this a complete audit, and it can only be done by an intelligent comprehension of the earning capacity of each property. In case where property with a large amount of rentals is in any Trust, one realizes that this is difficult, and only an approximate audit may be obtained.

DISBURSEMENTS.

The disbursements are checked with the vouchers which, as mentioned before, have been retained, and filed with each trust.

SECURITIES.

The bonds, mortgages, bills receivable and other securities are checked with the records of each department, and the actual securities themselves checked with the statement where it is necessary other than the general checking of the securities as stated below.

DISPOSITION OF STATEMENTS.

After the statement has been checked over, it is O-K'd by the Auditor and typewritten, and in the case of a trusteeship sent to the beneficiary and receipt inclosed for signature, as a verification. This blank when returned is attached to a duplicate copy of the statement and filed away with the papers in that trust.

SECURITIES.

We have mentioned in Trust accounts that the actual securities are checked when necessary with the account appearing in the statement. This would be true of stock certificates and notes and mortgages, and in some instances of bonds, but the bonds held in Trust are checked in a much more effective way.

The bonds belonging to Trusts are kept in a special safe in the safe deposit vaults, and access is given to them only by two officers of the company at once. If any bonds are taken out, a slip is put in their place.

In the Trust department ledger appears a column outside of mortgages, for securities, which includes the bonds which are itemized in the various trusts.

Every month the Auditor draws off from the Trust department ledger a list of all bonds, and has the Trust department safe opened by two of the officers, and in their presence checks up the bonds with the actual list which he has obtained from the Trust department ledger, and verifies the actual securities.

This will cover the audit of all our accounts in a general way. It has been found very difficult to express, without a very extensive paper explaining each record of the company and its system of bookkeeping, the manner of our auditing. We have found, however, that the Auditor must not merely work in a machine way, but must have an intelligent comprehension of all matters in the company's interest, and in that manner only can an audit be successful.

CLAUDE HAMILTON.

Assistant Secretary The Michigan Trust Company, Grand Rapids, Mich.

The Chairman: The next in order is a paper by Hon. Lyman J. Gage, President of the United States Trust Company of New York, and ex-Secretary of the Treasury, on the subject of Trust Companies as Trustees. In Mr. Gage's absence, our Secretary, Mr. Branch, will read the paper.

"Trust Companies as Trustees," by Hon. Lyman J. Gage, President United States Trust Company, New York City.

[Mr. Gage's paper in full will be found on pages 1675 to 1676 of this publication.]

The Chairman: I am sure we are very much indebted to Mr. Gage for the very interesting paper he has given us which we have just heard read.

We will now listen to an address by Mr. P. C. Kauffman, Vice-President of the Fidelity Trust Company of Tacoma, Wash.

Mr. Kauffman: Mr. Chairman, and gentlemen of the Trust Company Section, at the recent convention of the bankers of our State, our retiring President, ex-Governor Moore, made an observation that the communications of the banker are usually "nay," "nay," "yea," "yea," as more than that is superfluous. Bankers usually read their addresses. So I trust I will be pardoned "in reading mine." Following his example, I trust you will pardon me for reading my address to-day.

"The Trust Company Movement in the Pacific Northwest."

[Mr. Kauffman's paper in full will be found on pages 1678 to 1679 of this publication.]

The Chairman: The opportunity now exists for short talks upon any subject that is interesting, or anything that is pertinent to the paper that we have just listened to.

Mr. Clark Williams, Vice-President of the United States Mortgage & Trust Company, of New York City:

CASH RESERVES OF TRUST COMPANIES.

There has perhaps been no question so generally discussed among Trust Company people in the East during the last year as that of a required cash reserve, and in view of possible legislation affecting the matter in several States, it may not be amiss to give you a few facts which have not yet been published bearing on the situation in New York.

At the time of the promulgation of the rule requiring trust companies clearing through the New York Clearing House to keep a cash reserve in vault of five per cent. of total deposits, which reserve is to be increased to ten and later to fifteen per cent., the United States Mortgage & Trust Company received from the other trust companies in Greater New York figures necessary to enable us to make a comparison of facts relating to the business of the trust companies and the clearing banks, which I hope will be of general interest as bearing directly on the question of the necessity of these reserve requirements for trust companies. The deposits of forty-nine trust companies in Greater New York amount, in even thousands, to \$741,060,000, against the clearing banks of \$944,790,000. The cash resources of these trust companies amounts to 16.81 per cent. of their deposits, as against the banks' reserves of 26.45 per cent.

It should be borne in mind that the statutes under which these trust companies in New York conduct their business necessitate the investment of capital in certain prescribed securities, and the deposit with the banking department of approved securities equal to ten per cent. of this capital.

In a fair consideration of the subject, it should also be remembered that the trust companies include, in figure of total deposits, moneys held in trust and time deposits which are not subject to withdrawal at will. Although the deposits of the trust companies and banks are as 741 to 944, the exchanges and checks drawn against these trust companies during the year ended December 31, 1902, amount to only \$4,725,750,000, as against checks on the banks paid through the New York Clearing House amounting to \$74,753,180,000, or only 6 per cent. of the total clearings and checks drawn in New York.

It would seem from these figures that the bulk of the trust companies' deposit business still differs from that of the banks by a surprising margin, and that the necessity for the maintenance of the prescribed cash reserve in vault may be a little overdrawn.

The Chairman: If no other gentleman present has any subject he would like to bring up, or any remarks or discussion to offer on any of the papers that have been read, we will proceed with the regular routine of business, which will be the nomination and election of three members of the Executive Committee to serve for the period of three years; also the election of a Chairman and Vice-Chairman of the Trust Company Section.

ELECTION OF OFFICERS.

Mr. Clark Williams: Mr. Chairman, it gives me great pleasure to nominate as Chairman of the Trust Company Section of the American Bankers' Association Mr. Breckinridge Jones, Vice-President of the Mississippi Valley Trust Company, of St. Louis, Mo. We all know Mr. Jones, and it would be presumption on my part to say anything in his behalf.

Mr. Hartley, President of the Citizens' State Bank, Arkansas City, Kansas: Mr. Chairman, I take pleasure in seconding the nomination.

The Chairman (after a pause): If there are no further nominations, is it your pleasure that the Secretary should cast the vote for Mr. Jones as chairman of this section?

Upon motion the Secretary was instructed to cast the vote of the section for Mr. Breckinridge Jones as Chairman.

The Chairman: Mr. Breckinridge Jones is unanimously elected chairman. Nominations for Vice-Chairman are now in order.

Mr. August Schlafly, President of the Missouri Trust Company, seconded by Mr. A. A. Jackson, of the Girard Trust Company, of Philadelphia, nominated Mr. E. A. Potter, President of the American Trust & Savings Bank of Chicago, for Vice-Chairman.

There being no further nominations, the secretary was directed to cast the ballot of the Section for Mr. Potter, and the ballot was cast accordingly.

The Chairman: Next in order are nominations for three members of the Executive Committee to serve for three years.

Mr. Clark Williams, Vice-President of the U. S. Mortgage & Trust Company, of New York City, was nominated.

Mr. Jackson: Mr. Chairman, I desired to nominate Mr. Williams myself. I take pleasure in seconding the nomination.

The Chairman: Two other nominations are necessary, and in order.

Mr. E. Shorrock, President of the Northwest Trust & Safe Deposit Company, of Seattle, Wash.: Mr. Chairman, I nominate Mr. E. H. Reninger, Treasurer of the Lehigh Valley Trust & Safe Deposit Company of Allentown, Pa. Mr. Reninger has taken a great deal of interest in the work of this section.

The nomination was seconded.

Mr. Locke, Trust Officer United States Trust Company, St. Louis, Mo.: Mr. Chairman, it seems to me in view of the general hospitality we are receiving from California, that some gentleman from this State should be on this committee. I, therefore, wish to nominate the President of the Mercantile Trust Company of San Francisco, Mr. Frederick W. Zelle.

The nomination was seconded by Mr. A. McCracken, of the Central Trust Company of Camden, N. J.

The Chairman: If there are no other names to be presented, we having had three gentlemen already nominated, I presume the same course will be pursued in the matter of balloting for these names which has been pursued in the election of the other gentlemen.

Upon motion, the Secretary was instructed to cast the ballot of the Section for Mr. Clark Williams, Mr. Edward H. Reninger, and Mr. Frederick W. Zelle as members of the Executive Committee.

The Secretary cast the ballot as instructed, and the Chairman announced that the gentlemen named were elected.

The Chairman: Our programme gives opportunity for suggestions for future work of the trust company sec-

tion, and if any gentlemen present have suggestions they would like to make from the floor, we would be glad to hear them. If not, the Secretary would be glad to receive communications in writing.

Mr. Shorrock: Mr. Chairman, as Mr. Potter has been elected Vice-Chairman of the Section, it may be necessary to nominate some one in his place as a member of the Executive Committee.

The Chairman: The Executive Committee will take note of that fact.

REASON FOR SMALL ATTENDANCE.

Mr. A. A. Jackson: Mr. Chairman, this is my first visit to this Section, and as you have kindly said that any of the members may make suggestions for future work, might I ask whether it might not be well for some strenuous effort to be made during the next year to obtain a larger representation than we have here, larger in proportion to our membership? I do not mean by that to say that a strenuous effort has not been made; but it seems that we have a small number present in proportion to our membership, and it would be very gratifying to us if it could be made larger.

The Chairman: I think that is an excellent suggestion. I would like to say that this meeting is the smallest in number of this Section that I have ever attended. I presume this fact is accounted for very largely by reason of the fact that the trust companies of the country are, to a great extent, located in the Eastern cities, and the distance to San Francisco is great, and many members who would have attended, perhaps, for this reason have not deemed it convenient or wise to make the journey. At our meeting in Milwaukee, and at our meeting in Cleveland, and also at our meeting in New Orleans, we had a large attendance. I am sure that is nothing against the location of this convention, but still it has probably been a matter of inconvenience for a great many members to attend. I presume that the present financial condition of the country, particularly in Wall Street in the East, may have had something to do with deterring some other members from coming here, who would have been glad to attend.

I think the suggestion of Mr. Jackson is an excellent one, and in my report to the Executive Committee, I call especial attention to this—that every member should endeavor to interest others who are active in the work, and really interested in the work, to attend these meetings of the Section.

SUGGESTIONS FOR GATHERING INFORMATION.

Mr. Benjamin I. Cohen, President Portland Trust Company of Oregon: Mr. Chairman, some years ago there was a book gotten up by some one in reference to trust companies that was of inestimable value. We have quite a large business in what I call trust by private agreement. We have revised our old forms. I have been in the habit of going East once a year, and exchanging views with other trust company people, in order to learn from them what they are doing. It seems to me we ought to have a special bureau established, or at least some individual appointed, to whom the different companies could send copies of anything unusual in the way of trusts, that they are handling, so that others might have the benefit of that information. It might be a valuable thing to do something of that kind. I was visited by a trust company officer in one of the States of the Middle West, and when I spoke to him about what we were doing in this line of business, it was all entirely new to him. I frequently have had the same experience myself, other people have mentioned matters connected with this business which has been new to me.

I merely mention it as a suggestion.

The Chairman: I think the suggestion is an excellent one, and it seems to me that the appropriate place for all such forms and literature to be centered is with the Secretary, Mr. Branch, who is conveniently located in New York City, and has the disposition and the facilities to attend to that matter.

Mr. Shorrock: I would suggest as following on that the desirability of not waiting for requests nor inquiries, but that the secretary should disseminate that information to the members of the section. The Trust Company Section has, as I understand it, two or three thousand dollars on hand, and that money could be very well expended in disseminating information of that character. The United States Mortgage & Trust Company of New York has recently issued a valuable publication covering the statements of the trust companies there. Matters of that kind I think could well come within the purview of this Section, and that this information should be disseminated in the way that I have indicated.

Now, other matters might be taken up in the same way. The matter of safe deposit boxes and deposit funds is something that might be gone into. The laws governing safe deposit boxes vary throughout the country, and it is a matter of doubt in the minds of many companies how they stand, from a legal point of view, in many contingencies. I think that is a very important point. The Committee could ascertain, through inquiry from the various companies, what difficulties they have met with, and how they have overcome them. They could ascertain what laws they have found to prevail, and some steps might be taken, I think, for codifying the various laws on this subject. This is, as we recognize, a very important part of Trust Company operations; but, as I have said, so far as I have been able to ascertain, the exact liabilities of a company, and the steps it should take to meet those liabilities, are more or less unknown and in a very unsatisfactory state.

I make this as an additional suggestion for work for the Executive Committee.

Mr. Kauffman: Following the suggestion of Mr. Shorrock, Mr. Chairman, the American Bankers' Association, as I know, has been active in securing the enactment of a uniform system, or, rather, a uniform negotiable-instrument act, which is now in force in probably fifteen or twenty of the States, and will ultimately undoubtedly be adopted by every State in the Union.

Our decisions in the State of Washington are very conflicting as to the responsibilities of the company in the matter of safe deposit boxes; that is, as to the power of the court to open those boxes when controversies arise between individuals, forcing the companies to go to considerable expense in defending actions where they have no interest whatever in the ultimate result. It might be possible that this Section could have drafted a law regulating the safe deposit department of Trust Companies, regulating rights and responsibilities, have an investigation made along that line, and have a law of that sort introduced and made a uniform law. Let it follow the course that the negotiable-instrument law did.

The Chairman: The Chair desires to announce that there will be a meeting of the Executive Committee of this Section immediately after the adjournment of this meeting, to be held in the room at the Palace Hotel immediately adjoining the Maple Room.

VOTE OF THANKS.

M. A. V. Heely, of the Farmers' Loan & Trust Company, New York: Mr. Chairman, before we adjourn I am sure we all feel very much indebted to the gentlemen who have prepared papers and given us the benefit of them here to-day, and I move that we extend a vote of thanks to those gentlemen.

The motion was seconded by Mr. Jackson, and, upon vote, unanimously adopted.

Upon motion, a vote of thanks was extended to the citizens of San Francisco for their cordial welcome and hospitality.

Upon motion, a vote of thanks was extended to the retiring officers.

Thereupon, at 12 o'clock M., the Section adjourned.

MEETING OF THE EXECUTIVE COMMITTEE OF THE TRUST COMPANY SECTION.

The Committee met at 12.30 o'clock.

Present: Messrs. Potter, Branch, Clark Williams and Edward H. Reninger.

Upon motion Mr. Clark Williams was chosen Chairman of the Committee.

The minutes of the last meeting were read by the Secretary and, upon motion, approved.

Upon motion of Mr. Potter, Mr. James R. Branch was elected Secretary of the Trust Company Section of the American Bankers' Association for the next year.

The Chairman: Gentlemen, is there any further business?

Mr. Potter suggested that the important thing for the Committee to do is to interest men actively in the Trust Company Section work. He spoke of the laws pertaining to estates and the administration of trusts, and how these laws vary in the different States, making it difficult and complex sometimes, to know what to do.

Mr. Branch stated that there had been a committee working toward securing uniform laws, that this committee had been doing work along this line for five or six years, and had met with considerable success.

Suggestions were made by all the members of the Committee present in reference to the possibility of securing revision of the laws, and the securing of uniform laws relating to the business of trust companies.

Mr. Branch suggested that if a committee could be appointed, the Chairman of which would remain permanently as Chairman, that much more could be accomplished than by having a Chairman who would change every year.

Mr. Potter tendered his resignation as a member of the Executive Committee for the reason that he had just been chosen Vice-Chairman of the Trust Company Section, and as such would be, *ex-officio*, a member of the Executive Committee.

Upon motion, Mr. A. A. Jackson, of the Girard Trust Company of Philadelphia, was elected to fill the vacancy on the Executive Committee caused by the resignation of Mr. Potter.

Thereupon, at 12.45, the Committee adjourned, subject to the call of the Secretary.

SAVINGS BANK SECTION

AMERICAN BANKERS' ASSOCIATION

First Annual Meeting, Held in the City of San Francisco, October 20, 1903

INDEX TO SAVINGS BANK PROCEEDINGS.

Trust Accounts - - - - -	Pages 1688 to 1691	Dangers Threatening Savings Banks - - - - -	Pages 1697 to 1698
Failed Savings Banks - - - - -	Pages 1691 to 1694	Detailed Proceedings - - - - -	Pages 1699 to 1702
Bond Accounts - - - - -	Pages 1694 to 1696	Address by Chairman - - - - -	Page 1699
Savings Bank Advertising - - - - -	Pages 1696 to 1697	Report of Secretary - - - - -	Page 1699

Trust Accounts in Savings Banks

By WILLIAM HANHART, Secretary Savings Bank Section.

The subject of the so-called "Trust Accounts" in Savings Banks has always been a difficult one to handle; the matter is apparently a little intricate, the usages of Savings Banks differ greatly, and so does their experience, and it is with the desire of somewhat clearing up the matter that I venture to state in as brief a manner as possible, and in a general way, the governing principles underlying the subject, with the hope that by giving the views of an experienced Bank Officer, I may draw out the opinions and experiences of others, older in the business, and with a better understanding, and more competent to reason the subject out. That wonderful collection of wise saws, Solomon's Book of Proverbs says: "In the multitude of counselors there is safety," and indeed it might be added, there is also wisdom, and I should much like to hear the opinions of others, feeling satisfied that a free and full discussion will prove of benefit to us all; it may be as well to state that I don't mind one bit being interrupted, and if what I shall say does not appear to you correct, or clear, please say so, bearing in mind that I am no lawyer, but merely a plain, everyday sort of a layman.

To begin with, it must be understood that I address myself only to savings institutions, both mutual and capitalized, doing a real Savings Bank business, and not to savings institutions that are especially empowered by their charter, or by the laws of their State, to accept and carry out trusts, the latter have trust officers, and also counsel to advise them in all cases. I am but a layman, speaking to savings institutions who accept deposits of trusts, or in trust, mainly as depositories of the funds, and acting under the common law generally recognized throughout the United States; and, therefore, I do not take into account the special conditions, or modifications, if any, that may be imposed upon them by the statute law of their respective States; only few States, however, have special laws governing such Savings Banks accounts.

In the first instance, let us consider what accounts are usually called trust accounts; they may be broadly stated as all accounts that are opened, or transferred, not simply in the name of one depositor, but having attached to them some qualifying clause, such as in trust for another, or for another, or opened in several names, or in the name of a society or corporation, or payable in a certain contingency, etc., etc., in short, all accounts that are not simply in the name of the one depositor; for the purpose of clearness, I will divide them in six parts—viz.:

1st. Accounts opened by one person for another, or in trust for another.

2d. Joint accounts.

3d. Alternative joint accounts.

4th. Accounts of administrators, executors, guardians, etc.

5th. Accounts payable in a given event, or subject to special conditions or limitations.

6th. Society or corporation accounts.

And I will now proceed to discuss these several divisions:

The accounts opened by one person, called the "trustee" in trust or for another person, called the "beneficiary," or "cestui que trust," are the most common form of trust accounts, and the only ones justly entitled to be called trust accounts; the practice of Savings Banks differs considerably in handling them, the most usual way being to allow the trustee control of the fund during his lifetime, and if the account is still open at his death, to pay the remaining balance to the beneficiary, or "cestui que trust;" in a large majority of cases, they are "bona fide" accounts, opened by thrifty depositors, who desire that in the event of their death, their wife, or husband, or child, or some near relative, receive certain sums without incurring the expense of engaging lawyers, paying surrogate or probate fees, etc., etc. The amounts are usually small, and in most cases the recipients can ill afford the time and money needed to probate a will or petition for the appointment of an administrator. It has been said that it is not the business of a Savings Bank to make the will of a depositor, but I fail to see any serious objection to it as long as this so-called will disposes only of money deposited in the bank, representing the savings of thrifty hard-working people, who won't bother with lawyers, and will make no will. However, it may be said in a general way, that these accounts cannot be usually considered as legal and valid trusts, but that they are voluntary trusts, the trustee when opening the account stating that he intends it for the benefit of a certain person, the "cestui que trust;" he keeps full control of the account during his lifetime, and this is correct, as the quality of a trust is that the trustee does not part with the property, but keeps it under his control; at his death, the fund, or whatever balance there is left, is to be paid to the beneficiary named.

In the absence of other notice, these accounts may be considered as constructive trusts, and in some respects they may also be likened to a gift "causa mortis" but with this difference, that in the latter case, the donor must die of his then existing sickness to render the gift valid; with this exception, they are very similar to them.

and, like them, require a witness, and in these accounts the bank is the witness. As a matter of fact, if the matter is brought up for judicial decision, it will be found that the intent of the depositor, at the time of deposit, governs, and that all the surroundings, facts, circumstances and declarations will be taken into consideration. Whether the trustee made the deposit a gift, "inter vivos," with himself as the self constituted trustee the bank knows not; the consensus of legal decisions appears to be that something more than the mere opening of an account for another, or in trust for another, is necessary to make the deposit an actual gift—that is, either a gift of the bank book to the "cestui que trust," or some act or declaration to show the intention of the trustee; to infer a gift from the form of the deposit only is not usually considered sufficient. So far as the bank is concerned, when at the death of the trustee, the "cestui que trust" presents the bank book and demands payment, the bank may well understand that the gift has been completed, and that it is authorized to pay him.

In some States the statute law recognizes and regulates these accounts; for instance, in my own State of New York, the Savings Bank law permits the funds to be paid to the "cestui que trust" at the death of the trustee; in the absence of notice in writing of the existence of a legal and valid trust, this obviates the necessity, which otherwise would exist, of applying to the Supreme Court for the appointment of another trustee, as it is a principle of the law that a trust is not impaired by the death of the trustee. Common law, however, usually governs these cases, and generally speaking, it may be said that a fund left voluntarily in trust by one person for another person, and without any further notice, may be paid to that person at the death of the self-constituted trustee, and so far as the bank is interested, it is quite safe for it to do so, and that it is carrying out the intention of the depositor, as stated, by him when opening the account.

It sometimes happens that at the death of the trustee, his legal representative presents the bank book and demands payment; in such cases, whenever possible, endeavor to obtain the receipt of the "cestui que trust" in addition to that of such legal representative; but if found impracticable, a payment to this legal representative, in the absence of adverse notice, is lawful, as it has been decided that the bank has no right to inquire into the character of the trust, and owes no duty to the beneficiary, until the latter, by notice, or forbidding payment, or demanding it for himself, created on the part of the bank such right and duty. However, experience has repeatedly shown that payment to the "cestui que trust" is best and safest, for it often happens that after payment is made to the legal representative of the trustee at some future time the "cestui que trust" hears of the existence of the account, and then he promptly sues the bank; of course, the bank has a valid defense, but all this is avoided when payment is made to the "cestui que trust."

In some cases the "cestui que trust" is fictitious, the deposit having been made in the form of a trust account so as to benefit from the higher rate of interest allowed by some banks on smaller deposits, or to avoid the legal or fixed limit of deposit; this need occasion no worry, although, of course, such accounts should not knowingly be accepted and are not desirable; but if they are opened, in the event of the death of the so-called trustee, a payment to his legal representative is absolutely safe and lawful, as there naturally can be no adverse claim from the imaginary "cestui que trust."

Another contingency is the death of both the trustee and the "cestui que trust" while the account stands open; if the latter died first, it may well be considered that the trust is extinct, being a personal one, and payment may be made to the legal representative of the trustee on presentation of the bank book; if the trustee died first, payment should then be made to the legal representative of the "cestui que trust."

It may also happen that the "cestui que trust" finds

out, at the death of the trustee, that the fund originally deposited in trust for him, has been withdrawn by the trustee previous to the latter's death; he then sues the trustee's estate for the amount, and sometimes the bank also; but I need hardly say that the bank has a perfectly valid defense. It may be said, in a general way, that the bank knows nothing as to the equities between the trustee and the "cestui que trust," and is simply acting as a depository of the funds of the depositor, agreeing with him that at his death, in the absence of adverse claim, it will pay whatever balance remains on the demand of the beneficiary.

Regarding the form of these accounts, I advise that they be opened simply in this way: "John Brown for son James," avoiding the use of the word trust; the bank not being empowered to carry out trusts, and acting only as a depository of the funds, with a simple, possible, contingency; out of "abundant caution" avoid even using the word trust; in the same line of caution do not transfer such trust accounts from one beneficiary to another, or to another account, but let the trustee withdraw the deposit and close the account, and then, if he chooses, he may open another account in trust for some other person, or in any other acceptable way.

Accounts are sometimes opened thus: "John Brown in trust for his children," or "John Brown in trust for his children, Mary, Jane and James;" these accounts should be refused, as the omission of the names of the children may give trouble in case of children born after the date of opening of the account, or in case of deceased children leaving descendants; at all events, not more than one beneficiary should be named, as the death of one of several named beneficiaries may complicate matters considerably; better give John Brown several books, one for each of his children for whatever amount he desires him or her to receive.

Avoid also opening accounts with two trustees, such as "John Brown and wife Mary for daughter Jane," or "John Brown or wife Mary in trust for daughter Jane," it will surely lead to unwelcome complications. Do not open such accounts as "John Brown, Trustee," or "John Brown, in trust," without naming the beneficiary; in short, let all trust accounts, such as we have been discussing, be opened simply by one person, or trustee, for one other person.

In Great Britain, it is permitted by law to the depositor, when opening his account, to designate the person to whom he desires the balance to be paid in the event of his death, and he may change this beneficiary at will; but I understand that this method would conflict with the laws of the different States here, and is, in fact, impracticable.

To resume the whole subject, I will state that in my opinion, Savings Banks accounts opened by one person for, or in trust for, another, may, at any time, be withdrawn by the trustee, and in the event of the death of the latter, the remaining balance, if any, should, and may safely, be paid to the "cestui que trust" on presentation of the bank book and in the absence of adverse claim; but if the "cestui que trust" is not to be found, or does not exist, and the legal representative of the trustee presents the bank book, payment may be made to him in the absence of adverse demand.

Joint accounts, such as "John Brown and Tom Jones," subject to withdrawal only on receipts signed by both parties, are opened by some Savings Banks, but I have always considered them unsatisfactory to both the bank and the depositors, and experience has proved them to be dangerous, because in the event of the death of one of the parties, the question invariably arises: May the bank pay on the receipt of the one surviving depositor? To whom did the fund really belong? Of course, payment may be refused and a settlement waited for through the Courts, but this is not advisable in any event, and for years past many of the progressive banks have refused to open such accounts; they are not safe to the bank, and often become a source of contention, lawsuits and quar-

rels among the depositors, and I advise refusing them altogether.

We now come to the alternative joint accounts, such as "John Brown or wife Mary," the agreement of the bank being to pay either one of these depositors on presentation of the bank book; such accounts I consider as safe to the bank, and without doubt they are very useful and helpful to the depositors; in the majority of cases they are opened jointly by near relatives, such as husband and wife, mother and daughter, sisters, etc., etc.; who clearly and easily understand that any one of them may withdraw the funds, and also that the death of either does not interfere with the account, in so far that the survivor may withdraw or transfer the balance. The bank takes no account of, and ignores the death of one of the depositors, as the survivor is sufficient to withdraw, and in the event of the death of both depositors while the account is still open, and in the absence of adverse claim, payment to the legal representative of the last survivor is correct and lawful. Depositors of such accounts may be legally termed joint tenants, the fund being payable to either one of them or to the survivor; and, indeed, I know of one Savings Bank who entitles these accounts on the bank books in this fashion: "John Brown and Mary Brown, joint tenants, payable to either on presentation of the book, or the survivor." This seems very comprehensive. It is well for us to bear in mind that deposits in the alternative form represent usually the joint total savings of poor and thrifty people, who think it useless to make a will, and wont employ lawyers; they understand that the survivor takes, and I consider that the bank is quite safe in such accounts. The savings institutions, to whom this is addressed, have for their principal object the providing of safe depositories for the comparatively small savings of the frugal and thrifty, and they should provide their patrons with all possible conveniences, within the bounds of safety, for the handling of as well as for the disposing of such small savings.

Before discussing the accounts of executors, administrators, guardians, etc., I must repeat that I am addressing only banks acting as depositories of the funds, and making no undertaking as to carrying out the trust; with this understanding, I will now proceed.

Executors' accounts should always be opened in the name of the estate, whether they be new accounts, or transferred from the account of a deceased depositor, and power should be given to the executor to make withdrawals; as a general rule, when several executors are named, the receipt of any one of them who has qualified, is sufficient to bind the estate. In the event of the death of the executor, the only safe course for the bank is to pay on letters of administration, "cum testamento annexo"—that is, with the will annexed; payment under similar circumstances has been made to the legal representative of the executor, and has been upheld in some Courts, but I would advise against it, as it may involve the bank in litigation, while payment to a legal representative of the estate, presenting the bank book, is always lawful and the safest way.

The above remarks apply to administrators' accounts, except that if several administrators are named, it is safer to pay only on the joint receipt of them all; in the event of the death of the administrator, you should require the appointment of an administrator, "de bonis non," on the estate, and pay him only.

Guardian accounts should be opened or transferred in the name of the guardian, stating the minor's name; in the event of the death of the guardian, it is well to require that a new guardian be regularly appointed, unless the minor has, in the meantime, reached his majority, when payment may be safely made to him, or her, as guardianship ceases, "ipso facto," when majority is reached; if the amount is small, and no new guardian is appointed, it is often found convenient and advisable to wait until the minor becomes of age, when payment made to him becomes legal. If the account is opened by, or in

the name of, a minor, payment to such minor at any time is legal in most of the States.

The papers appointing a committee, or guardian in lunacy should be closely scrutinized, and proof shown of the filing of a sufficient bond; the laws of the several States vary considerably on this subject, but we must not lose sight of the fact that in this blessed land of ours no man may be deprived of his property without due process of law, and it is well for us to see before transferring a lunatic's account to his committee, that all the proceedings were regularly conducted. Some States have special commissions in lunacy, which simplify matters considerably; but, as a general rule, I will say that Savings Banks not authorized to undertake trusts are better off without such accounts, which properly belong to trust companies; if they are only transfers from the accounts of depositors who have become insane, they are justifiable, but the bank must use its best endeavors in protecting the interests of such unfortunate depositors.

Letters of administrators or testamentary granted in another State, or abroad, are of no force in your own sovereign State; in such cases, at the death of the depositor, ancillary letters should be required; many banks, however, will pay if the foreign administrator or executor assigns his claim and interest to a person residing in the State where the funds are; payment to such assignee is usually considered safe, for the reason that a payment made to a foreign administrator or executor not being enforceable, is a voluntary one, and is no defense to the bank, while a payment made to his assignee resident of the State may be considered as not voluntary, because this resident may enforce his claim through the Courts, and therefore, everything else being correct, this payment becomes a lawful one.

Accounts payable in certain contingencies, such as to date of payment, or subject to any special limitations as to payment of principal or interest, are not desirable, and I advise all Savings Banks not specially authorized to carry out trusts, to refuse them; they involve a risk and responsibility foreign to their business, and should be turned over to the trust companies who are especially empowered to act in such cases.

The practice of Savings Banks differs widely as to society accounts, many refusing them altogether; there is no denying the fact that they are occasionally troublesome, because of dissensions in the society, or among its officers, but with reasonable care I believe that they may be safely opened. These accounts are usually those of charitable, benevolent, religious or fraternal associations, lodges or councils, and sometimes of pleasure or social clubs; some banks require the signatures of a given number of a majority of trustees; others require the production of the by-laws showing the authority of trustees or officers to make withdrawals, but many of these societies have no printed by-laws at all, and are not incorporated. I advise opening all such accounts in the name of the society, and make them subject to the draft of a designated officer; when opening the account, an extract from the minutes of a general meeting should be presented, attested by the president and secretary, giving the resolution empowering the designated officer, until further orders, to deposit and withdraw from the bank the funds of the society; if there is a seal, keep an impression of it and require it on all drafts, notices, etc., as additional security. When a change of officers occurs through death, resignation or election of successors, require a certified copy of an extract of the minutes of the meeting giving signatures of newly authorized officers; a blank form of authorization, drafted by the bank, should be used.

And now to resume and conclude this long discussion, I will state that within reasonable limits, and subject to the special laws of each State, Savings Banks who exist primarily for the accommodation of the thrifty poor, the industrious and careful mechanic, artisan and clerk, for the women and children, and for all who are desirous of improving their condition and safeguarding their fu-

ture, I say that Savings Banks should use their best endeavors to accommodate their depositors and encourage them in their saving habits; as a rule, these depositors know nothing as to the law, cannot afford to employ lawyers, and they place their reliance on their friendly Savings Bank, expecting it to carry out their wishes; some of the older Eastern Savings Banks have become so conservative that they refuse accounts other than those opened in the name of one person, on the ground that all others give trouble and involve risk; but, it may be asked, is it possible for us to receive deposits, loan and invest, and make payments, without incurring some risk? We shall always have some trouble in business, but as long as we adopt simple and reasonably safe rules for the conduct of our business, exercise vigilance, wisdom and good common sense in handling accounts, I believe that the risks are comparatively small, and only such as are incident to any business of this character. I would caution my friends, fellow officers of Savings Banks, against turning over to their lawyers the settlement of their trust accounts; confer with your lawyers from time to time, get clear ideas of the laws of your State, watch the decisions of your highest Court (the lower Court's judgments in Savings Banks' cases are often extraordinary and conflicting), and then make up your mind and decide as to the best course to follow. Personally I have great

liking and respect for lawyers, and occasions will arise when you will be glad to have a good one to take up a case for you, but I earnestly advise especially the younger Savings Bank officers to themselves study the banking law, watch legal decisions, frequently confer with other Savings Bank officers, in short, to fit themselves to handle intelligently and successfully the increasing business that will surely come to the progressive savings institutions, who desire to accommodate their depositors by opening for them these so-called trust accounts.

Legally, the relation between the Savings Bank and its depositor is that of debtor and creditor, but morally we may well consider ourselves as trustees, and, as such, bound to act as the best friends of our depositors, as well as their bankers; we must realize their limitations, help them in all that is safe and practicable, and inspire them with a feeling of friendliness with the bank as well as a knowledge of the safety of their savings; by doing so, we shall carry out the purpose to which the majority of us owe our corporate existence, and that is the furthering of our magnificent system of Savings Banks, self-educating and helpful, a maker of character and good citizenship, unequaled in all the world, and having now in its care over \$3,000,000,000 of the savings of our hard working, thrifty and enterprising people.

Savings Banks That Have Failed.

By HON. WILLIS S. PAINE, President Consolidated National Bank, New York City.

Savings Banks are a latter day institution. This fact is evidence that in the development of the world's civilization the moral and material keep each other company and progress to a common end. The countries that are developing material prosperity witness the growth of benevolent institutions among their people—institutions for the care and comfort of the dependent and the housing of the great army of incapables.

Any institution that encourages frugality and provides means for the safe-keeping of savings serves a better purpose in inducing provision for the future than do almshouses for the improvident. Viewed in this light, Savings Banks cannot fail to be regarded as among the most beneficent of our modern institutions. I venture to express the conviction that however the people of the State may desire to accumulate, by securing large returns for the use of their money, those people sadly miss it who do not lay up in the present as against the inevitable future. That State misses it which fails to provide for this purpose by establishing Savings Institutions for the encouragement of thrift, where savings may be deposited in security, and the laborer may, when the years have gone by, and the hand has lost its cunning, have recourse to a fund provided through sacrifice and which the inducements of the well managed Savings Bank have enabled him to accumulate.

The recent wonderful development of our country has made us a nation optimistic, yet the experiences of the past, with its failures, should not be forgotten. Rightly utilized, they should give us accurate judgment in place of a cheery expectancy born of desire. And here let me say that with some exceptions and because of the very character of those exceptions, the broad claim that our mutual or non-capitalized Savings Banks are to-day the strongest corporations, in a comparative sense, of all the financial institutions of our land, is fully substantiated. It may be thought a strong statement to say that directors of Savings Banks should be held to the strict accountability of individual trusteeship. We admit that Savings Banks are corporations, and this would seem to absolve individual responsibility, as incorporation usually does. But reflection will show that this peculiar and individual trusteeship and its resulting duties is a verity.

When I became the receiver of the Bond Street Savings Bank of New York City this rule was emphasized in the litigation against the trustees of that institution, and it was held that a Savings Bank was itself a trustee; that its function was the receiving of deposits and the investment of them for the use of the depositor, and that every transaction of the Savings Bank was made under fiduciary responsibility. This in substance was the opinion of the able referee, Clifford A. Hand, who tried the case in the first instance; when he made this ruling it was considered by the Bar one of striking force and novelty.

It was this general rule of trust relation of Savings Institutions, as well as the innate justice of the ruling, that at the meeting of this Savings Bank Section last year at New Orleans induced me to oppose the latter-day tendency to tax Savings Banks deposits. Considering that Savings Banks represent the frugalities of a people; considering, too, that these people form a part of the great multitude who pay the bulk of indirect taxation; and considering that they are conducted for the public good and not for corporate or personal aggrandizement, it seems only just that they should be freed from the burden of taxation by the State, as is the case with other beneficent institutions.

To tax the deposits in Savings Institutions is to discourage the placing by wage earners of their gains with such corporations. Not only are the dividends which they receive lessened by the amount of the tax paid, but the knowledge that the earnings are to be taxed and thus diminished acts as a deterrent. To tax the accumulations of the provident poor is often to tax the insurance which protects their offspring from becoming public charges in the event of the death of the parents. Yet the Legislature of the State of New York enacted a law the year before last which provided that every Savings Bank shall pay an annual tax equal to one per cent. on the par value of its surplus and undivided earnings. The unwisdom of the enactment of this law is evident when it is remembered that a surplus is created to the end that when investments deprecate the depositors may receive in full upon demand the moneys deposited together with the earned interest. It is especially the duty of this Savings Bank

Section to foster a growth of public opinion adverse to this phase of tax legislation. The incumbent of a Savings Bank receivership is necessarily brought into close contact with the sufferings of deserving people caused by its failure, and is thereby deeply impressed with the absolute necessity of throwing every possible safeguard around their deposits. He realizes also that the taxation of these bulwarks against socialism is as wrong as the enactment of loose statutes relating to investments, and let me further say, socialism is a coming danger that must not be ignored. The figures made public by the Commissioner General of Immigration for the year ending June 30th last show that during that period the alien arrivals reached the wholly unprecedented number of eight hundred and seventy-five thousand and forty-six; this is an increase of thirty-two per cent. over the preceding twelve months. Only eight thousand seven hundred and sixty-nine of this number were debarrued upon the ground that they were paupers, contract laborers, convicts, or for other reasons; if the present rate of increase is maintained the total number coming to our shores this year under our existing lax immigration laws will exceed a million.

To a very material extent those who came in previous decades seeking a haven in the land of liberty and plenty were alien only in name and were half assimilated before they arrived. They were industrious people who meant to make our country their permanent residence. They did not colonize in the slums of our great cities, but passed through and casting their eyes Westward took up land for homes. They were comparatively a well-educated, enterprising people from Great Britain, Ireland, Germany and Scandinavia. The majority of them were not Slavs, Bohemians, Latins and Asiatics, most—I do not say all—of whom are fitted only for low grades of manual labor.

Formerly our immigration was composed of families with some pecuniary resources, while now they are predominantly of limited capacity and of a comparatively low order of intelligence.

It is a noteworthy fact that seven-tenths of the total immigration of the year 1902 was from Austria, Hungary, Italy and Russia, forming classes which do not readily adopt our customs. The American spirit is foreign to them and non-assimilating. Such immigration is still pouring in at high tide, with the quality as inferior as the quantity is extraordinary. These unleavened masses speedily develop recruits to our criminal classes and create the well-termed "foreign quarters" in this city of San Francisco. Unhappily these abnormal masses have found their way all over our land.

With hundreds of thousands of immigrants coming into our great cities year after year the prospect of lean years, when there are no wages to be earned, must be viewed with distrust. If those who now swell the ranks of cheap labor are dissatisfied under existing circumstances of material prosperity, what may we not expect to see when these prosperous conditions fail. And when the present remarkable industrial activity subsides and financial depreciation obtains, as is inevitable, may we not see great suffering, not only among those whose wants are small, but among those others of a higher plane of living who are to-day competing with the recent arrivals? Much has recently been said by the financial journals concerning "undigested securities." Quite as great an evil in the body politic is liable to follow from what may be termed "undigested aliens."

In connection with the Savings Banks failures hereinafter mentioned, it may be stated nearly all occurred in the same general period that followed the financial upheaval of the year 1873. It may not be extreme to say that the unprecedented depreciation of real estate in this country thirty years ago was so tremendous as to justify its characterization as a financial cataclysm.

The fall in real estate prices in New York City and Brooklyn in 1873 now seems to us more like the puncturing of a colossal balloon. Preceding that year extremely

high prices, not justified by economic bases, were the rule, thus making an unsound market value. This will be appreciated the better when we consider that after all the general improvements which followed the elevated railroads and other changes in local transportation, with the large amount of added value from the increment of a score of years, the highest prices of 1873 were not reached until 1893. This literal panic of 1873 stopped building construction for at least six years. It will be readily seen that the Savings Institutions, so vitally interested in real estate through their mortgage investments, would naturally feel the shock of the tempest. Indeed, it is remarkable that so many survived!

There are but few who can foresee a financial panic; although it has well been said that President Cleveland foretold the financial storm so intimately connected with the earlier silver issue. Nothing is more unexpected than such financial tempests. Who could have predicted with intelligence that the failure of the Ohio Trust Company of 1857 would bring on the fatalities of that year, or that Jay Cooke's downfall of 1873 would inaugurate the losses of that period? With uncertainty always present there must be constant vigilance. No man can deduce an absolute rule of safety—that is beyond the limitations of humanity, but there is a logical deduction that follows past experiences and justifies our careful attention.

An examination of the Savings Institutions in the State of New York that have failed reveals three general causes of failure. As a first general cause I would specify the "available fund" clause in many of the charters of these failed banks, created by special legislation. By "available fund" clause, I mean the indefinite omnibus provisions for those special charters which permitted investments other than those especially authorized, but not exceeding a fixed amount, in "such available form as the trustees might direct." Under the fancied shelter of this vicious clause the trustees forgot their trust duty, and were tempted by the speculative fashion of the time. In the strong-boxes of many of these insolvent banks were found large blocks of repudiated bonds of Southern States, unsafe railroad bonds and other questionable securities, showing the speculative tendency of so-called "trustees" with the trusts committed to their care.

It is interesting to note that this so-called "available fund" was actually meant to be a "reserve fund," although it would be closer to the fact to term it the "speculative fund" of these institutions. It is also singular that this fund, although intended as reserve, was not made proportionable to resources or deposits, but was fixed at an arbitrary amount.

Another peculiar feature was that this reserve was not necessarily to be held in gold, silver or bank notes, or even negotiable securities, but it was to be, in the exceedingly liberal words of the charters, in "such available form as the trustees might direct."

Under an amendment of the Constitution of the State of New York all special charters were abrogated and a general law was enacted. Later, under a revision of the statutes affecting Banking Institutions, in which I was fortunate to have an active part, this general law was incorporated and the "available fund," with its widely discretionary powers that were so grossly abused, no longer exists.

As a second general cause of failure I would name incompetency or carelessness in the Board of Trustees. Poor advice can be had for the mere asking, and indifferent or personally weak trustees may bestow a modicum of time or thought upon a business that brings them little or no compensation. As relating to this matter, let me say that in the official report of the Receiver of the Mechanics' and Traders' Savings Bank of the city of New York that officer states as follows: "Among the incorporators there were many well-known citizens. Only a few of them, however, appeared to have attended the meetings of the Board of Trustees or to have shown any active interest in the welfare of the institution. From the first it seems to have been controlled by a few men,

not the best or most capable." In another part of the same report he makes this statement: "It is now well known that a number of the trustees of this institution have been insolvent for years past; all have neglected or mismanaged their trusts, and several have, for alleged services, withdrawn large sums of money for their own use."

When the doors of the Clairmont Savings Bank were closed the Bank Superintendent learned that the funds of depositors were used as the capital of the money exchange and discount broker in the adjoining building!

An instance of sham financiering is shown in another failure of a Savings Institution where the only cash asset found was \$5.00 and some odd cents. Here the trustees, desiring to make a big showing for an official report, handed in checks for \$60,000, and thus inflated the deposits. These checks were returned and the entries were canceled after they had served their purpose, and the same method was adopted in following reports.

Personal vanity was the motive for establishing some of the unsuccessful banks. I recall one instance where a prominent politician conceived the ambition to become a bank president. He straightway had a Savings Bank incorporated by special charter, and his family became the largest depositors. A remarkable feature was the fact that he paid out of his personal funds the chief clerk's salary. After his ambition was in this direction satisfied he spent a term in State's prison for his connection with the Tweed frauds.

The failure of the Clinton Savings Bank in the city of New York was due to the exceedingly injudicious investments made by the directors in the stocks of a trust company and of other like corporations which became insolvent. It should be added, however, that several of the directors exerted themselves strenuously to repair the loss of the depositors by expending a considerable amount of their own funds to keep the bank from being dissolved.

As a third general cause of failure I would designate the element of positive dishonesty. Yet this has appeared so infrequently in Savings Bank management as to justify the belief that it is less common than sporadic crime in average humanity. A case of unquestionable reproach is to be found in the Teutonia Savings Bank of New York City, which failed in 1878. The Secretary of this institution adopted the plan of making false entries on the books, so as to make it appear that the bank in buying securities paid more than the actual purchase price. The difference between the false price and the actual price was taken from the bank's cash and divided among the trustees, to whom it was paid as "thieves' money," as Charles O'Connor termed the dishonest division of cash spoils, by inclosing the share of each trustee in a sealed envelope directed to him and handed to him in person. Running along with this plan of robbery was another scheme. The salaries of the principal officials were doubled and the additional amount was divided equally among the trustees. When this institution failed its depositors lost over \$200,000.

When the receiver of the Rockland Savings Bank was appointed he found ten memorandum checks aggregating over \$12,000, drawn on a neighboring national bank by the secretary, which had been counted as cash by the officers, although absolutely valueless. The president had been guilty of like offences. The receiver obtained judgment against the president for \$39,020.32, and against the secretary for \$39,022.47, both of which were found to be wholly uncollectible. In another case a Savings Bank was openly made the annex of a nearby bank of discount, and it thus became a source of supply for the deposits of the Savings Institution had been swallowed by its neighbor. These are but typical instances. Of the Savings Banks that have failed in the State of New York, twenty-eight owed depositors \$14,720,292.40. The net loss to depositors aggregated about \$4,000,000, and of this deficit over \$1,000,000 was charged to the Third Avenue Savings Bank of New York City.

Efforts in the New York Legislature to unduly extend by statute the scope of Savings Bank investments have been closely watched by the ever-faithful body of men who are ready to oppose any movement that suggests the chance of undue risk. Conservative management is the rule. It is only natural that this should be so. They realize that Savings Institutions are of the people and for the people. They cannot be bought by any so-called "Banking Trust." The people's savings are now the special care of capable and disinterested men of affairs, whose safe-guarding is a form of practical patriotism that is not fully appreciated. Much has been done in the way of restricting the discretion of trustees and limiting their power of doing harm. A closer system of inspection and control has been adopted. At the present time, if a trustee is insolvent or becomes a non-resident of the State, his position becomes vacant. The trustees still serve without compensation, but it has come to be realized that the general good name and high standing of trustees of savings institutions make the position one of honor as it should always be of the strictest financial integrity. That so many men in active business life, some of large means, give at the present time so much of their time and energy to the care of the people's savings, makes one think well of humanity.

The earnings of the workingman are the interest on his capital of strength and skill. These Savings Bank deposits are his surplus income brought into being by reason of his ambition. The moment he opens an account with a Savings Institution he is a capitalist and thus becomes a conservator of order. These depositors and earners are truly, in a democratic sense, the "salt of the earth," as they are, in fact, the very backbone of the nation. The conservators of their funds must themselves be men of integrity. The history of the failed Savings Banks proves this statement to be eminently true.

A word as to the supervision of Savings Institutions by the State. This supervision in the interest of safety and good management does not prevail in all States, but is seen at its best in the States of Connecticut, Massachusetts and New York, where the strongest and largest Savings Banks are to be found. The colossal deposits of savings in these three commonwealths have drawn the attention of the ambitious, and many attempts have been made to get similar results without adequate restriction. It is not in any spirit of criticism, but under a sense of duty, that I feel compelled to say that outside of New York and New England there are but few States where fully protective Savings Bank legislation exists. In several of the States there are concerns, some in corporate form, others as quasi-copartnerships and some with insignificant capital, actually doing the business of Savings Institutions. A portion of them are under no restriction as to the use to which they may put the accumulations of the multitude, and the security exacted is far from adequate. Nor do depositors, whose moneys are subjected to the hazards of the ordinary business of such depositories, duly participate in the profits of such organizations, for these accumulations are to a material extent diverted to the pockets of the managers and stockholders of these establishments. The abuse of this method of conducting a Savings Institution will surely crop out. When we see such institutions managed for personal profit it is easily understood why in some instances unscrupulous promoters have been known to promise liberal dividends. The natural result of the rule of great gains and great risks may soon be seen. It would not be correct to sweepingly assert that Savings Institutions outside of State supervision are unwisely managed. They are directed by the personal equation that happens to control, but there is no adequate government by law, no system of safeguarding the interests of the modest earners who go to make up the great mass of depositors in Savings Institutions. The Asbury Park, N. J., failure of last year and the more recent one in Bessemer, Ga., are instances where the savings of self-sacrifice were swept away with great suffering to the depositors.

A more recent proof of this grave necessity is the conviction under the State penal statute, the 14th day of last month, of the executive officers of the Mercantile Co-operative Bank of Freehold, N. J., which also carried on a Savings Bank business.

A shrewd man of affairs may hesitate to risk his means in an investment which his judgment tells him is hazardous, yet when acting in a fiduciary capacity the hope of favorable results, especially if he is to be personally benefited, may obscure his judgment and even dull his conscience. Misfortune to a bank does not necessarily imply dishonesty in management. Nevertheless, he whose duty it is to conserve the savings of the poor must remember that the exercise of this duty is the most sacred of trusts. Trustees must not be permitted to neglect their plain duties, and every State should at least enact a law that a deliberate misuse, an intentional misappropriation of property in the keeping of such officers shall be severely punished as a crime.

I repeat that socialism is a coming danger. I predict it will be, to a material degree, the "ism" of the future. If the prediction is well founded the pres-

ent "ism" among those who listen to my words should be patriotism. Not the patriotism that contents itself with the explosion of fireworks on Independence Day to celebrate the anniversary of the adoption of a Declaration one hundred and twenty-seven years old, but the patriotism that may induce the members of the body I am now addressing to stand in line to register and again to stand in line and vote and to induce others to vote for the candidates who will pledge themselves to adopt remedial legislation. This is now absolutely necessary in a number of our commonwealths. It is true that such legislation is purely a matter of State control and naturally a diversity of opinion in the matter will exist. But the man who will inaugurate in those States now lacking a statutory plan, a conservative and workable scheme of legislation, will surely earn a full meed of praise. If a model is sought, those of us in attendance from the Empire State may point to the laws which control our Savings Institutions, the aggregate deposits of which on the first day of last July exceeded one billion, one hundred and fifty million dollars.

Some Thoughts on Bond Accounts

By CHARLES E. SPRAGUE, President of the Union Dime Savings Institution, New York.

As a Savings Bank proper is purely an investment machine, the most important branch of its accountancy, next to depositors' accounts, is that of its interest bearing securities. These are generally of two classes: 1. Real estate mortgages. 2. Municipal or corporate indebtedness, usually spoken of as "bonds." From the facts that the physical security is directly available to the mortgagee in case of default, and that the term is so short that readjustments of principal and rates of interest can be effected directly, the former class, real estate mortgages, require somewhat different treatment from the latter, in which the variance between the contractual and the market rate of interest frequently results in a premium or a discount. As either of these branches is a very large subject, I will confine myself in this paper to the securities known as "bonds."

A bond is, generally speaking, a promise to pay a certain principal sum at a future date, and in the mean time to pay as interest certain periodical sums. Comparison of a large number of issues shows the following tendencies:

The great majority of bonds are for a round sum of money, payable on the first day of some month, the interest being semiannual and the maturity of the bond being also on an interest day. There are exceptions in every one of these particulars. Some bonds are issued for odd dollars and cents, some bear annual or quarterly interest, some pay interest on the 2nd, 15th or the 25th of a month, some mature at a date not coincident with an interest date. It may be observed that these anomalies only hurt the marketability of these bonds and thus injure the borrower without any corresponding advantage.

The most numerous bonds at present are 4 per cent.'s, January and July.

The first point on which I wish to insist is that the bond ledger, or, to use the official language of New York State, the "stock investments" ledger, should be in a specialized form, calculated to afford on separate pages the most complete details as to each separate bond investment. The ordinary double entry ledger is totally inadequate to contain the particulars required, though it will answer for an aggregate account, showing in condensed form the total transactions of the kind. The ideal arrangement, in my opinion, is a general ledger of the broadest comprehensiveness, with subordinate ledgers of the most minute particularity. The two opposing demands of comprehensiveness and minuteness confront us

in all broad gauge bookkeeping and can only be met by a duplex system of general and special ledgers, or systems of accounts, the former giving statistical and the latter individual information.

My next suggestion is as to the treatment of interest. I find that in many institutions no regard is paid to the accretion of interest or even its falling due, but it is considered null until it takes the form of cash. I cannot help considering this as not the most perfect way, for several reasons.

Interest revenue has three stages or transmigrations. It accrues from day to day, differing in that respect from dividends, which operate instantaneously. Therefore we have as the first stage accrued interest. This is a valid asset, as much so as the original debt. It is not yet enforceable, it is true, but that may also be affirmed of the original debt. As accrued interest is an indispensable part of every balance sheet (barring the improbable case where everything has matured on the date of such balance sheet), it should be recognized in the accounts and not as a mere adjustment. The entry, "Accrued Interest Dr. to Interest Revenue," or words to that effect, may be made monthly, if the general ledger is on a monthly basis, or daily, if such is the basis, and then not only will the list of assets be correct, but the profit and loss account will be true. Otherwise it will appear as if in some months there were little or no revenue, merely because nothing happens to fall due, and the object of profit and loss accounts, that of gauging success or failure, would be completely lost.

The second stage is that of interest due, to which the interest accrued is transferred on the day of its maturity. If collected on that same day in cash, there will never be any balance on the account of interest due, but this ideal condition is seldom attained. Even if delay is rare, we need the account to chronicle the fact that there is a matured claim for interest outstanding in our favor.

The complete method is to keep accounts under some appropriate names, with interest accrued, interest due and interest revenue, the latter being a subdivision of principle, be united into one as interest receivable, but the point I am insisting on is that interest is earned progressively and should be so treated, not as if it were an adventitious gain or windfall, dropping in on the particular day when it takes the form of cash.

We are trustees for our depositors. A trustee making

his accounting to a Surrogate or Judge of Probate is always charged with the income which *ought* to be received, and if he has not collected it, must show good cause why not. Similarly we should charge ourselves with the proper revenue, and the charge should stand until disposed of in cash or otherwise.

In the foregoing remarks I have implied that the account of principal should be kept separate from that of interest, and this I deem the clearer and better way, while requiring no additional labor.

I now come to a most important part of the subject and one on which there may be considerable diversity of opinion. It is the question of how we shall represent the value of bonds purchased at prices above or below par; in other words, how to dispose of premiums and discounts.

I am aware that many institutions of high standing state all their bonds at par. To do this they must necessarily have treated the sums paid for premiums as a loss or an expense and have taken them like other losses from the surplus. In fact, some of them publish with apparent pride the fact that "all premiums are at once charged to profit and loss." I observe that they do not say what becomes of discounts.

To discuss the matter fairly we must consider what this premium is. Why do we pay for a bond more than it calls for, or why can we sometimes acquire it for less?

A premium is simply payment in advance for an abnormally high rate of interest, and a discount is compensation in advance for an abnormally low rate of interest. In both cases the compensation is spread over the time that the bond has still to run; it does not apply merely to the present day or the present half year. By abnormal, I mean differing from the normal, the current, the fair rate of interest on that exact grade of security.

Suppose we desire to invest \$1,350 in the bonds of a certain city. We think that $3\frac{1}{2}$ per cent. per annum would be a fair income for that security. If the city would issue to us \$1,350 in its obligations bearing $3\frac{1}{2}$ per cent. interest, we would be willing to take it at par, no matter what the length of time it had to run, even supposing that all or part of the bonds were payable serially from year to year, say \$50 a year.

But suppose there are no $3\frac{1}{2}$ per cent. bonds to be had. There are, however, 5 per cent.'s to be had on a $3\frac{1}{2}$ per cent. basis and having 48 years 10 months and 29 days to run. We find that our \$1,350 will just buy one of these bonds, \$1,000 to be paid at 28 years 10 months 29 days from now, and in the mean time 5 per cent. interest to be paid, but the net income on the amount at any time invested will be $3\frac{1}{2}$ per cent.

In each of these supposed cases we have invested the same amount at the same rate of interest, principal to be repaid gradually in installments. But those who keep their books at par would say that in the former case \$1,350 was invested, while in the latter only \$1,000 was invested, \$350 being lost or sunk. The latter investment, which is thus made to appear the worse, is in fact the better in the State of New York, which great commonwealth, through erroneous economic ideas, taxes thrift, but exempts the \$350 if paid in the form of premium, taxing it if it is styled principal.

To reduce bonds as soon as purchased to par by artificially treating premiums as losses and discounts as profits may be an easy process, but that seems to me its only recommendation.

To endeavor to follow the market value from time to time, as many public reports require, is also objectionable for the following reasons:

1. It is based not upon facts, but upon opinions. The investment securities in question are not so continuously dealt in publicly as to be quotable like produce or poultry. Even in active stocks and bonds it is well known that published quotations are not reliable. The appraisals of the same list of securities by two different brokers, each intending conscientiously to give the market price, will

sometimes, as most of us know from experience, reveal a discrepancy running into the hundreds of thousands.

2. Besides the uncertainty of market values and their unreliability, they introduce into the profit and loss account and into the estimated margin for dividends an element of chance and fluctuation which has no place among the actual earnings and outlay, and which vitiates the result. The increase and decrease of surplus is meaningless when it may have been produced by a purely abstract marking up and marking down of the same securities, in which there was not the slightest real change. This is not profit and loss.

Even if we were treating our securities as merchandise bought at one price to sell at another, it would not be good bookkeeping to consider profits made until realized. The only way to make a profit is by selling. No merchant ever got rich by marking up his inventory.

Again, the original cost, while it should be preserved of record, is, as a basis of accounting, equally fallacious with par. The one is in the past tense, what we have *paid*; the other is in the future, what we *shall receive*; while the market value is in the *potential mood*, what we *might, could or would receive or pay*. None of these represents the actuality, or answers the question, "What is the true numerical representative, in terms of money, at the present moment, of the securities in which we have invested our deposits?"

The only answer I can give after long study of the subject is the amortised value, or the original cost written up or down, as the case may be, to date, in such a way that upon reaching maturity it will exactly stand at par.

When a bond is purchased at a premium or a discount, the consequence is that it will constantly pay a rate of income less or greater than that named in the bond, on the amount remaining invested, not on par. And applying this principle, there will be found a series of values which I call the amortised values, or the present worth of principal and interest at the net income rate.

Suppose, for example, a \$1,000 5 per cent. bond, interest semiannually, eighteen years to run, is offered you for \$1,199.07. You look in the convenient little book of tables and see that at this rate the net income will be $3\frac{1}{2}$ per cent. on the amount invested. If you think that is a fair rate, you buy the bond, and the amount invested is exactly \$1,199.07, not \$1,000 at all. Six months pass by and \$25 interest falls due. But is this all income? No, for the interest on \$1,199.07 at $3\frac{1}{2}$ per cent. is only \$20.98. What then is the remaining \$4.02? It is simply a part of your \$199.07, your premium refunded to you, making the present amount only \$1,195.05, and the little book will again corroborate this as the true value at $17\frac{1}{2}$ years. After six months more the \$25 will be divided a little differently, \$20.91 being income and \$4.09 being a second repayment of premium. Continuing this process, the last installment of the premium is repaid out of the last interest.

Another way of looking at it is this. Here is a coupon bond of \$1,000, with thirty-six coupons attached. These are just as much promises to pay as the bond itself. Hence there are thirty-seven future sums receivable, one big one represented by the big engraving, \$1,000 payable in eighteen years, and thirty-six little promises of \$25 each at various dates six months apart. The \$1,000 discounted at $3\frac{1}{2}$ per cent., compound, is worth now only \$535.50

The coupons are worth various amounts,	
from	\$24.57
for the first coupon, down to	13.39
for the last one, in all.....	663.57

Making the total value of the big promises and the little ones.....	\$1,199.07
The same calculation applied at the next period gives the value.....	1,195.05
showing the same repayment or amortisation of \$4.02.	

I will append to this paper a schedule showing the gradual amortisation of the bond quoted above, calcu-

lated for example's sake to the nearest cent on \$1,000,000, although such minute accuracy is usually unnecessary.

The account of premiums and discounts may be kept separate from that of par if preferred, and this I regard as entirely correct. What I object to is the practice of annulling the premiums and discounts and treating them as nonexistent.

In the institution with which I am connected, we have in the general ledger an account for the par and a separate one for premiums. The sum of the two always gives the book value or amortised value. In the special ledger for bonds, known as the "Stock Investments' Ledger," we adopt the other plan and use four columns—Par, Original Cost, Book Value and Market Value. The latter is not a bookkeeping figure, but a mere memorandum for future reference. The four columns are the ones required by the Bank Department of our State for its reports.

Our Stock Investments' Ledger is of the loose sheet kind, and each lot of securities has devoted to it two pages of different tints—one for principal and the other for interest. The "principal" page is kept by addition and subtraction, and is headed by a descriptive form in detail. The "interest" page has the interest dates printed in advance for many years, sheets having been printed for each variation, "JJ," "FA," "MS," "AO," "MN," or "JD," and the proper ones being selected when the account is opened. Each "JJ" sheet has an index tab near the top, the "FA" a little lower, and so on, so that the pages for any interest date may be readily found.

The accounts are arranged in classes; first U. S. bonds, then bonds of the several States, then bonds of cities in other States, then cities, counties, towns, villages and school districts within the State, and finally railroad mortgage bonds, bringing the information into the exact order required by the State Superintendent of Banks for his report.

Returning to the question of valuation, I am of the opinion that the amortised value, or the present worth of principal and interest at the net income rate, should not

only be adopted in our bookkeeping, but should be the legal standard and the normal basis for estimating surplus in all official and public statements.

SUCCESSIVE VALUES OF A BOND FOR \$1,000,000, INTEREST 5 PER CENT. PER ANNUM, PAYABLE SEMI-ANNUALLY, PURCHASED ON A 3½ PER CENT. BASIS.

Periods ending—	Interest Net income		Amortisation,	Book value,
	at 5 per cent.	at 3½ per cent.		
	\$	\$	\$	\$
1900, December 31...		Cost		1,199,070.65
1901, June 30.....	25,000	20,983.73	4,016.27	1,195,054.38
December 31..	25,000	20,913.45	4,086.55	1,190,967.83
1902, June 30.....	25,000	20,841.94	4,158.06	1,186,809.77
December 31..	25,000	20,769.17	4,230.83	1,182,578.94
1903, June 30.....	25,000	20,695.13	4,304.87	1,178,274.07
December 31..	25,000	20,619.80	4,380.20	1,173,893.87
1904, June 30.....	25,000	20,543.14	4,456.86	1,169,437.01
December 31..	25,000	20,465.15	4,534.85	1,164,902.16
1905, June 30.....	25,000	20,385.79	4,614.21	1,160,287.95
December 31..	25,000	20,305.04	4,694.96	1,155,592.99
1906, June 30.....	25,000	20,222.87	4,777.13	1,150,815.86
December 31..	25,000	20,139.28	4,860.72	1,145,955.14
1907, June 30.....	25,000	20,054.22	4,945.78	1,141,009.36
December 31..	25,000	19,967.66	5,032.34	1,135,977.02
1908, June 30.....	25,000	19,879.60	5,120.40	1,130,856.62
December 31..	25,000	19,789.99	5,210.01	1,125,646.61
1909, June 30.....	25,000	19,698.82	5,301.18	1,120,345.43
December 31..	25,000	19,606.04	5,393.96	1,114,951.47
1910, June 30.....	25,000	19,511.65	5,488.35	1,109,463.12
December 31..	25,000	19,415.61	5,584.39	1,103,878.73
1911, June 30.....	25,000	19,317.87	5,682.13	1,098,196.60
December 31..	25,000	19,218.44	5,781.56	1,092,415.04
1912, June 30.....	25,000	19,117.27	5,882.73	1,086,532.31
December 31..	25,000	19,014.31	5,985.69	1,080,546.62
1913, June 30.....	25,000	18,909.57	6,090.43	1,074,456.19
December 31..	25,000	18,802.98	6,197.02	1,068,259.17
1914, June 30.....	25,000	18,694.54	6,305.46	1,061,953.71
December 31..	25,000	18,584.19	6,415.81	1,055,537.90
1915, June 30.....	25,000	18,471.91	6,528.09	1,049,009.81
December 31..	25,000	18,357.67	6,642.33	1,042,367.48
1916, June 30.....	25,000	18,241.43	6,758.57	1,035,608.91
December 31..	25,000	18,123.16	6,876.84	1,028,732.07
1917, June 30.....	25,000	18,002.81	6,997.19	1,021,734.88
December 31..	25,000	17,880.36	7,119.64	1,014,615.24
1918, June 30.....	25,000	17,755.77	7,244.23	1,007,371.01
December 31..	25,000	17,628.99	7,371.01	1,000,000.00
		900,000	700,929.35	199,070.65

Savings Bank Advertising.

By LUCIUS TETER, Cashier Chicago Savings Bank, Chicago, Ill.

It is not my thought in this brief paper to handle the question of Savings Banks' advertising in an exhaustive manner, but rather to speak in a general way concerning the subject, and to mention a few ideas that have been of value to me.

It is well to let one officer of the bank take the supervision of all advertising, having, of course, the counsel of his associates, for nowadays there are so many plans offered, all calling for the expenditure of money, that it really requires the careful attention of one man to direct a fixed policy and prevent the scattering of much money into channels other than the ones in which your real effort lies, for all good advertising is good, but some kinds are better than others.

We will pass quickly over the question as to whether you ought to advertise, although, let me say, in a general way, that Savings Banks *should* advertise and in most cases *must* advertise to enable them long to continue a steady growth.

It is also true that all Savings Banks in the United States cannot advertise alike, but in every case a dignified effort should be made to inform the public of a readiness, a willingness and an ability to care for the funds of the people. I say *dignified*, because I do not believe that a Savings Bank should ever use cheap, funny or prize package schemes for obtaining depositors, or in any way employ methods that could be misunderstood, for our trust is great. The public feel that it is and is quick to see anything that savors of disrespect or a mere trade

attitude in the matter of caring for those funds which, after all, represent sections, large or small, from the lives of our fellow men.

On the other hand, don't publish a list of your directors in the local paper or put a card in the church calendar and a picnic programme and let it go at that. Rather carry out a definite policy of publicity, manfully telling the people who you are, where you are and what you can do for them.

Many of us make a mistake, it seems to me, of either scolding or preaching in our advertising, compiling figures on how much the individual would profit by smoking no cigars or by staying away from the theatre, which seems too personal and is not expected of us. I also feel that the time honored dollar that accumulated so much interest in twenty-five years has been spent somewhere along the road. At any rate, it now seems to have lost much force as an argument, and, indeed, it was a long time to wait for so little.

As a rule, we must take the man who wants to save and tell him how, for, after all, we don't get many unwilling savers upon our books. Modestly tell your man about the strength of your bank, who are its officers, trustees or directors; tell him of its convenient location and hours; tell him that he can secure a bank book by making a deposit of \$1, on which a fair rate of interest will be paid; tell him that you are willing to advise him at any time about his business affairs; tell him that when he needs all or part of his money you will have it for

him. All these things he wants to know and likes to have you tell him.

In making a choice of the mediums to be used in reaching your man, you must consider the conditions in your own particular locality. Newspaper advertising is good, and I would advise that a part of every advertising appropriation be used in this way. In selecting newspapers for savings advertising, don't select one because it has the best financial circulation, but use those that circulate most largely among the general public.

However, the great expense of newspaper advertising and the number of advertisers, especially in the large cities, create a condition that leaves much to be desired. Besides that, you will want to get nearer to your prospective depositors than you can in that way. A booklet, brief and direct in its simple statements, furnishes the foundation for personal effort, either in your banking office or outside.

Let one of your officers, or a representative, call upon the employers of labor in the neighborhood tributary to your bank, asking their co-operation in bringing the matter of savings to the attention of their people. As a rule you can obtain their support, as all right minded men want their employees to save.

Ask them to use pay envelopes furnished by you and bearing your message printed upon the face. Put up a neatly framed sign of your bank in their workshops, and secure from a list the names of their employees; these names you can transfer to a card system for use later on in sending out booklets and personal letters.

Make an occasional visit to see that your signs are up and that you are not forgotten. Before long you will

have depositors from this shop, who become centers for more growth later on.

Seek the active support of your depositors. Our bank always writes a personal letter to each new depositor, acknowledging that our officers are glad to have him with us, and while offering him a welcome and the use of our services, we suggest that we would be glad to have him mention us to their friends.

These and many other plans will suggest themselves to you, some, no doubt, having been offered to you many times. But in closing let me emphasize this: Secure and keep the good will of your depositors; that is the greatest of all advertisements; without it none is of avail.

Give them every possible help and comfort in transacting their business. If many people in the community cannot conveniently visit a bank during your regular hours, keep open one evening a week for the savers. It is not undignified to give a needed service.

Require your employees to be absolutely courteous to every one, particularly to the ignorant. If your tellers haven't time to care for them, have enough officers to see to it that every person is well treated, and, if possible, made to feel so.

The pleased ones will soon circulate the report that your bank is not run by a lot of unsympathetic aristocrats, but by plain everyday men like themselves. Wait on your depositors as promptly as possible. Let your savings system be as simple as is consistent with safety.

Maintain at all times a sense of your obligation to the public, and certainly moderate success will be yours. Should great success not attend you, you can feel that, after all, the greatest things are included in gaining the respect of men and of your own conscience.

The Dangers Threatening the Savings Banks.

By FRED HEINZ, President Farmers' and Mechanics' Savings Bank, Davenport, Iowa.

At present the Savings Banks throughout the country are in a prosperous condition. No doubt it is the aim of all interested that they should be kept so.

The dangers that threaten the Savings Bank are in common with other banks inefficiency and sometimes dishonesty in the management by those in charge on the inside, and occasionally efficiency by the non-employees getting at the funds from the outside.

In addition to this, all the Savings Banks are threatened with a greater danger, that of losing deposits on account of Government Savings Banks, should such be established. The agitation for Government Savings Banks is considerable, and should ordinary Savings Banks fail to any great number, it would, no doubt, hasten the establishment of Government Savings Banks. The main argument in favor of Government Savings Banks is that it absolutely protects the deposits. There are, however, many objectionable features.

To keep the present Savings Banks in popular favor it is absolutely necessary that the greatest safeguards be provided for the safety of the deposits. When this is done the cry for a Government Savings Bank will cease, otherwise not.

No doubt the best part of a Savings Bank is that loans be good and kept good.

Many States have laws fixing the kind of collaterals that Savings Banks can invest in; for instance, the Iowa law permits investment in real estate mortgages located in the State, Government bonds, and bonds, warrants and evidence of debt issued in the State, and may make loans upon commercial paper, notes, bills of exchange, drafts, or any other personal or public security, but not on its own stock. The general drift of this Iowa idea is that the securities be local securities, and that is the rule also

in many other States, and is, no doubt, a good one, for the closer the borrower is to the lender the easier it is to look after the securities.

The Iowa Savings Bank law is modeled after the National Bank act. Among other safeguards we have examination by a State bank examiner, and it originally provided that the bank could not take more deposits than ten times its capital stock. Now this has been changed to twenty times its capital stock and surplus; hence when the bank has deposits up to the limit, the security of the depositors is not so good as it was before. This I believe is wrong. All laws should be made to give the public as abundant security for their money as a safe and conservative banking business will justify.

The investments of the Savings Banks should be of such a character that there be no shrinkage of the principal, and in such shape that they can be disposed of in case of need within a reasonable time.

It would be well to have good Savings Bank laws enacted in every State of the Union. In most of its features the laws of the various States might be identical, although that would not be so necessary as the uniform law on commercial paper which travels over many States, while the Savings Bank paper is usually local in its character.

It might be well to have a committee appointed by this body to get all the statutes of the various United States together, and from them and other sources form a bill that can act as a model for the legislatures of the various States.

Such a bill wherever enacted by the lawmakers would add to the popularity of the Savings Bank.

I would therefore move you, Mr. Chairman, that you appoint a committee of three, not including the mover,

who are to get the complete statutory enactments as to the government of Savings Banks of the various States of the Union, and that thereafter said committee, after receiving suggestions from those interested, proceed to prepare such a bill as in their opinion would be a proper and correct bill suitable for adoption in every State in

the Union, and that when so prepared the same be submitted to the next annual convention of this body for further action. [The motion was adopted—see detailed proceedings of the Savings Bank Section on a subsequent page.]

Detailed Report of Proceedings.

First Annual Meeting SAVINGS BANK SECTION, held at San Francisco, Oct. 20.

DETAILED PROCEEDINGS.

G. Byron Latimer, Secretary of the Irving Savings Bank, of New York City: The meeting will kindly come to order, and the first business on the programme will be the Chairman's report, which I will now make to you:

Chairman's Report.

Gentlemen, Members of the Savings Bank Section of the American Bankers' Association:

I am here as your presiding officer to-day not by right, but through force of circumstances. The Hon. Myron T. Herrick, your Chairman, has been honored by the Republican nomination to the high office of Governor of the State of Ohio, and is at this time in the midst of his campaign and unable to be present.

We shall all miss him from our meeting to-day, and were our by-laws not prohibitory I have no doubt but that you would all welcome his re-election as your Chairman.

Your Vice-Chairman, Mr. Jas. McMahon, president of the Emigrant Industrial Savings Bank, New York, somewhat advanced in years and not in good health, found it impossible to travel so far, consequently, as Chairman of your Executive Committee, I am here as your presiding officer. I ask your kind indulgence, as the requirements of speech making are entirely out of my line.

At the meeting of the American Bankers' Association held in New Orleans last November an amendment was adopted to the by-laws establishing a Savings Bank Section, similar in scope to the Trust Company Section, and in pursuance to that amendment an organization was effected and constitution and by-laws approved. Officers were elected, consisting of Chairman, Vice-Chairman, and nine members of the Executive Committee, three each for one, two and three years respectively. The Chairman, Vice-Chairman and three members of the Executive Committee retire to-day, and their places will be filled by election later in the meeting.

Since our last meeting your Executive Committee, through its Secretary, Mr. Wm. Hanhart, has sent out circulars to every savings institution in the United States, whether mutual or capitalized, outlining what the new Section proposed to do and soliciting their co-operation. We have had a large number of replies and inquiries to our letters, and I believe to-day the American Bankers' Association numbers among its members over five hundred Savings Banks, including Trust Companies and Banks having Savings Departments, many of them, no doubt, due in a great degree to this organization. I consider this a very good showing for the first year, and hope with your assistance to have that number materially increased during the succeeding year. We have had prepared by some of our members papers which they will read, upon subjects of mutual interest; these papers will be printed in the report of this meeting and sent to each of our members, and many of us will have occasion to refer to them when questions which they cover come before us from time to time. It is the aim of the Section to prepare for circulation such papers of mutual interest, and to bring into closer relationship our banks and their affairs where subjects of mutual importance can be discussed. It has always been a serious question to me why our Savings Banks have so many different methods of doing precisely the same class of business; this is true in relation to our methods in the East, and perhaps our Western friends can help us in the right direction. We find it difficult to instruct our depositors upon simple subjects when asked what this or that bank will require under given circumstances, and if we could remedy only this small defect we would have accomplished a great deal, and this would tend to make our institutions more popular, if indeed that were possible.

The Section has had from the Association an appropriation of one thousand dollars, most of which has been used in postage, stationery, clerk hire and typewriting; and I would suggest that a resolution be offered asking for a like amount for the coming year. If we hope for greater success we must keep our Section prominently before all bank officers, and in the absence of personal interviews continue to circularize and write as during the past year.

Gentlemen, I thank you kindly for your attention, and with your permission will proceed with the next order of business.

G. BYRON LATIMER,
Chairman of the Executive Committee, Savings Bank Section.

I would like to add, gentlemen, that we would like to have the co-operation of all the members in helping our Association along. This is our first meeting, and I must confess that we have here a great many more than I expected to see. We are very thankful for your attendance, and now, with your permission, we will hear the report of the Secretary, Mr. Hanhart.

Report of Secretary.

Mr. Chairman and Gentlemen of the Savings Bank Section of the American Bankers' Association:

As this is the first meeting of this Section since its organization in New Orleans last Fall, the Secretary's Report will of necessity be a brief one. I respectfully report as follows:

The Executive Council of the American Bankers' Association, at its meeting last spring, made to the Section an expense appropriation of \$1,000; of this amount \$690.50 have been so far spent for clerk hire, printing, stationery, postage, typewriting, etc., and the vouchers for this expenditure were audited by the Chairman of the Executive Committee and the amount paid.

Our membership now numbers five hundred and forty-eight, representing about one-half of the Savings Banks in the United States.

The establishment of the Section has been so unanimously well received everywhere, as evidenced by the large number of letters received from all parts of the country, indorsing and approving of the organization, that I feel satisfied that we shall soon increase our membership so as to practically include all the Savings Institutions in the United States. I beg to urge every one of you, gentlemen, to endeavor to attain this object by soliciting all the Savings Institutions in your city and neighborhood to join the American Bankers' Association, and enroll themselves in our ranks. I shall be glad to send blank forms of application to all who may desire to use them; please explain to your friends that there is no additional expense involved in joining our Section; the membership fee of the American Bankers' Association covers it all.

A few complaints have been received regarding the changed rate for membership, as adopted last year, but a few words of explanation have generally succeeded in satisfying such; the fees now vary from \$5 to \$30 per annum, based on capital and surplus, and the Banks having no capital pay on the amount of their surplus. Surely even the highest fee of \$30 cannot be considered as excessive for a Bank having over \$1,000,000 surplus, while the smaller Banks pay less in proportion. The great advantages we derive from membership and through the support of the American Bankers' Association, the most powerful Bankers' Association in the world, are such that we should all willingly contribute these very reasonable membership fees.

WILLIAM HANHART, Secretary.

The Chairman: Gentlemen, you have heard the report of the Secretary. What is your pleasure?

Mr. Tuttle, of Naugatuck, Conn.: I move that the report be accepted and placed on file.

The motion was duly seconded and carried.

The Chairman: The next order of business is the discussion of practical questions and the reading of several papers of interest. I want to state that the first paper, "Some Thoughts on Bond Accounts," by Col. Chas. E. Sprague, President of the Union Dime Savings Bank, New York, will be read by Mr. G. Ad. Blaffer, cashier of the Germania Savings Bank & Trust Company of New Orleans.

Mr. Blaffer: The paper prepared by Colonel Sprague, President of the Union Dime Savings Institution of New York, is as follows:

"Some Thoughts on Bond Accounts."

[Mr. Sprague's paper will be found in full on pages 1694 to 1696 of this publication.]

The Chairman: Gentlemen, it was the intention to have these papers discussed, but inasmuch as the paper just read by Mr. Blaffer was not read by the gentleman who wrote it, I think it would be quite out of the question to enter into a discussion of the subject just now.

We have a paper upon "Savings Bank Advertising," prepared by Mr. Lucius Teter, Cashier of the Chicago Savings Bank, Chicago, and it will be read by Mr. Joseph E. Otis, Jr., Vice-President of that institution.

"Savings Bank Advertising," by Lucius Teter, Cashier Chicago Savings Bank, Chicago.

[Mr. Teter's paper in full will be found on pages 1696 to 1697 of this publication.]

The Chairman: We will now listen to a paper on "Dangers Threatening Savings Banks," by Fred Heinz, President of the Farmers' and Mechanics' Savings Bank of Davenport, Iowa.

"Dangers Threatening Savings Banks."

[Mr. Heinz's paper in full will be found on pages 1697 to 1698 of this publication.]

COMMITTEE TO REPORT GENERAL BILL FOR SAVINGS BANKS.

Mr. Heinz: And I therefore move, Mr. Chairman, the adoption of the following resolution:

Resolved, That the chairman appoint a committee of three members, who are to get the complete statutory enactments referring to Savings Banks of the various States of the Union, and that thereafter the said committee, after receiving suggestions from those interested, proceed to prepare such a bill as, in their opinion, would be proper and suitable for adoption in every State of the Union, and that when so prepared the same be submitted to the next annual convention of this body for further action.

The motion was duly seconded, and, after being put by the Chairman, was adopted.

Thereupon the Chairman appointed the following committee: Fred Heinz, President of the Farmers' & Mechanics' Savings Bank of Davenport, Iowa; E. J. Parker, Cashier of the State Savings, Loan & Trust Company of Quincy, Ill., and C. W. Laycock, Chairman of the Anthracite Savings Bank of Wilkesbarre, Pa.

The Chairman: The next paper is entitled, "Trust Accounts in Savings Banks," by William Hanhart, of New York City.

"Trust Accounts in Saving Banks," by William Hanhart of New York City.

[Mr. Hanhart's paper in full will be found on pages 1698 to 1699 of this publication.]

The Chairman: The next paper is entitled "Savings Banks That Have Failed," by Mr. Willis S. Paine, President Consolidated National Bank of New York, and the address, in the absence of Mr. Paine, will be read by Mr. James Thorne, Cashier of the Consolidated National Bank of New York City.

"Savings Banks that Have Failed," by Willis S. Paine.

[Mr. Paine's paper in full will be found on pages 1699 to 1694 of this publication.]

DISCUSSION OF TRUST ACCOUNTS.

Mr. Hall (of Grand Rapids, Mich.): I would like to say that some of us would probably like an opportunity to discuss the next to the last paper that was read. I wanted to ask Mr. Hanhart if the legal points which he

offered were largely those of the State of New York, or whether they covered the States generally. If the first proposition, in regard to the trustee, from the decisions that I have read the large majority of them were in this way: that a party cannot make a gift and own it himself at the same time. If I understood his proposition correctly, that is about the position that that trustee business would occupy. Then control of it coming to one of their children in the event of their death, as I understand it, as a legal proposition is not upheld; that they cannot make a gift and still retain control of it, absolute or otherwise.

Mr. Hanhart: I will say this in answer to the gentleman: That if, say, John Brown chooses to open an account, depositing, say, a thousand dollars in the name of John Brown, in trust for his son, the question has nothing to do with the bank. The bank looks upon him as a trustee, and a trustee always has control of the fund. The responsibility of the trustee to the beneficiary has nothing to do with the bank. The bank is the depository for the fund, and the trustee, as a trustee, draws the money, withdraws it, or deposits it as he pleases, and the bank knows nothing of the equities; and, as a matter of fact, I may state in a general way that the less the savings bank knows as to such equities the better off it is. It is merely a depository, and it has not the power to carry out trusts, and the less it knows about it the better. We have had many instances of that kind. Take old Mr. Guion. He had lots of accounts of nieces and nephews, and he chose to draw the money out and use the money to buy bonds with, and made presents of those bonds to those very beneficiaries. When he died the beneficiaries sued his estate for the money that he had deposited in the bank, and they thereby got it twice, both the bonds and the money. The bank had nothing to do with it. The point must be emphasized that the bank must be made safe. I am talking from the point of view of the banker himself. Many a man will deposit say a thousand dollars for his son to-day and change his mind to-morrow, but the law will not allow him to do that. If he has stated to his son that he has deposited that thousand dollars in trust for him at his death the son can sue the estate for the money, but he cannot sue the bank. I hope I have answered the question of the gentleman.

Mr. Hall: Yes, sir; you have answered the question, but I still have an idea that I can find law and decisions to the contrary.

Mr. Hanhart: I have tried to discuss the point in a general way. The laws of the different States vary considerably.

Mr. E. J. Parker (of Quincy, Ill.): Where you have to open an account in the name of a trustee, a father for a son, John Brown for Joseph Brown, and so forth, the boy in the one case may wish to draw that money when he is sixteen or seventeen years of age. What is your practice? Do you, when that son comes of age, pay the money to the son or to the trustee?

Mr. Hanhart: We do not consider that the beneficiary has any rights whatever with the bank. The money is deposited by the trustee, is in the name of the trustee, and under the control of the trustee. It is only upon the death of a trustee that the question of beneficiary arises. Until then we do not consider the beneficiary. He does not exist so far as we are concerned.

Mr. Robinson (of Bakersfield, Cal.): Entering this discussion in regard to joint accounts of husband or wife, and taking into consideration the question of which may demand the money, acting under the advice of California's attorneys, we have required the signing of an agreement with the bank by both husband and wife, assuring payment to either on demand, accompanied by the pass book, or to the survivor in case of death; and this would cover several points unmentioned in the paper which I refer to. It seems to me that that is a very wise protection on these joint or separate accounts, and I thought that I would simply bring it before the convention.

BANK ADVERTISING—STEEL SAFES.

Another matter that I would like to speak of regarding another paper that has been read here—namely, "Bank Advertising," one feature of bank advertising was not mentioned at all. I am not here to advertise anybody, but it strikes me that the scheme of the small steel savings bank has proven profitable in experience. We have tried it in our place, and it has materially increased our deposits, aiding us in a way that nothing else had done. It brought people to the bank into contact with the officers of the bank, who could not have been brought in in any other manner. I believe this scheme worthy of our serious consideration. There is no doubt but that the closer we come in contact with the general public the more we educate them into the way of saving.

Mr. Otis: I would like to say that this question of steel savings banks has been pretty thoroughly tried in Chicago, and very successfully tried by several banks. It has been undertaken, however, on such a wholesale plan that it has become a perfect nuisance, and, although most of the savings banks now, with few exceptions, have these banks behind the counter, they don't generally advertise it. If anybody wants one, they can get it by asking for it. Our experience is that in case—one-half the cases I should say—where banks are brought in for money, and it is taken out and counted and carried away, that it takes a great deal of time in large savings banks where a great many accounts are handled. We have found it necessary to have separate men behind the counter to handle those banks and count them up, and so forth. It works very well for a long time, but it has been very badly abused.

Another point: Recently some of the merchants who are selling diamonds on the installment plan had signs put all over the city. These signs say that you can, by the use of steel savings banks, get money enough together in that way to buy diamonds. The use of steel savings banks has become very prominent, and most people in the banking business are not looking upon it with very great favor. The people who have been putting out these savings banks, however, are charging so much for so many banks, and agreed to put them out and have an account started wherever the bank is placed, and in that way there has been a great deal of fraud practiced. Mr. Teter, in his paper, did not touch on that subject, because the bankers of Chicago, the savings banks, have positively and absolutely refused to push that kind of business.

RESOLUTION IN FAVOR OF STATE SAVINGS BANK ASSOCIATIONS.

Mr. W. Felsing, President of the New York Savings Bank: The very fact of our being here shows that we believe in organization, and in the State of New York we have an organization of State savings banks that takes a great interest in legislation affecting those institutions, and I, therefore, beg to offer this resolution, which I will read:

Whereas, The State Association for Savings Banks, as existing in several States, has proved most beneficial to their interests, and helpful to their depositors by representing them before their respective legislatures in the consideration of bills affecting their interests, and in bringing bank officials together for the discussion of the many subjects of special interest to them; therefore, be it

Resolved, That we strongly urge the organizing of State Associations of Savings Banks in every State and Territory of the Union having savings banks, and that we pledge our individual effort to further this object.

I, therefore, move that this resolution be adopted.

Mr. Hall: I second the motion, and I call attention to the fact that at our meeting held in New Orleans a year ago a similar resolution was adopted. If nothing has been done in the matter since then, I think we and every one of us should give this resolution our hearty support, and endeavor to do everything possible to foster a saving spirit among our people.

Mr. C. M. Preston, of Chattanooga, Tenn.: I want to say a few words in relation to the States taking up this matter as an Association, and I don't know of any better

way of bringing the matter to the attention of the people than by recounting the experiences that we have had in the State of Tennessee. At every meeting of the Legislature of that State we have vicious laws introduced by ignorant legislators, endeavoring to regulate the State banks and the savings banks. It requires a good deal of effort upon the part of the State Association to keep down these vicious measures, and we need the assistance that the adoption and the pushing of this resolution will give us. Individual banks, themselves, are indifferent, and the casual legislator thinks he ought to do something for us, and consequently, he introduces some kind of a measure. If we were prepared and organized in the different States, and recognized as a body, we would be consulted about such matters as this, and laws would not be passed against the interest of a savings bank and the savings bank depositors. I heartily favor this resolution, and I trust that it will be passed; and I hope each and every one will use his best efforts to bring about the organization of such an Association so that we can regulate these laws ourselves. If the savings bank officials cannot suggest a few wholesome laws for the government of savings banks, they ought not to be officials of such institutions; and I trust that this resolution will receive the hearty sympathy and support of all.

Mr. Dinkins, of New Orleans: I would like to ask for some information. Is it contemplated that the State shall organize and have separate conventions?

Mr. Felsing: The idea is that each State shall have its organization representing a large number of people, and this will give it great power in the Legislature through the people. They should meet once a year, and each savings bank organization should work in its own State, each State having its own organization, of course.

Mr. Dinkins: That, of course, would mean the State organizations, and the national organization also. Do I understand that the national organization would be allied with the State organizations?

Mr. Felsing: Yes. The Savings Bank Association of the State of New York has, however, nothing to do with this Association whatever. They simply send a delegate to this convention. This resolution is recommending this to all the States, an organization similar to the organization in New York State.

Mr. Tuttle: Speaking to the resolution, I will say that we have an organization, a separate organization of savings banks in the State of Connecticut. There are about ninety savings banks, and from sixty to seventy of them belong to this organization. I can assure you that this organization helps us very much. We meet once or twice a year, get together, discuss plans, rates of interests, bonds and mortgages, and things that we ought to do; and also, when bills come up in the Legislature, a committee is appointed to look after that matter. When bills are introduced in the Legislature this Association looks after them, and tries to see that no bills go through the Legislature, excepting such as will protect the savings banks and the depositors. We find that it works very well, and every State should have an organization of that kind.

The resolution introduced by Mr. Felsing was thereupon adopted.

ELECTION OF OFFICERS.

The next order of business is the election and the installation of officers. We are now open for nominations.

Mr. Preston: For the office of Chairman, I name Mr. A. C. Tuttle, Treasurer of the Naugatuck Savings Bank, of Naugatuck, Conn. For Vice-Chairman, I name Mr. William Felsing, President of the New York Savings Bank of New York City. For the three members of the Executive Committee, I name Mr. P. Leroy Harwood, Treasurer of the Mariners' Savings Bank of New London, Conn.; Mr. E. Quincy Smith, Vice-President of the Union Savings Bank of Washington, D. C., and Mr. Fred Heinz, President of the Farmers' and Mechanics' Savings Bank of Davenport, Iowa.

The Chairman: Are there any other nominations?

(After a pause.) As there is but one ticket in nomination, we will entertain a motion that the Secretary cast the ballot for these gentlemen as nominated.

The motion was duly made and seconded that the Secretary cast the ballot for the nominations as made, and carried.

Mr. Hanhart: Mr. Chairman, I have, according to this resolution, cast a ballot as follows:

For Chairman, Mr. A. C. Tuttle; for Vice-Chairman, Mr. William Felsing, and for the three members of the Executive Committee, Mr. P. Leroy Harwood, Mr. E. Quincy Smith, and Mr. Fred Heinz.

The Chairman: I, therefore, declare the gentlemen elected.

Gentlemen, it gives me pleasure to introduce to you Mr. A. C. Tuttle, Treasurer of the Naugatuck Savings Bank, of Naugatuck, Conn., whom we have just elected Chairman of this Association. (Applause.)

Mr. Tuttle: Mr. Chairman, and gentlemen of the Convention, thanking you most heartily for the honor you have conferred upon me by electing me Chairman of this body for the coming year, I wish to say that I shall endeavor to perform the duties imposed upon me to the very best of my ability. There is one word that I wish to say to you, and that is that I hope we may receive the co-operation of all the members. We get together only once a year, visit each other, discuss matters, hear papers read; and I would like to say that if, during the year any of the members of the Association has any topic that he would like to have discussed, I am sure the Executive Committee would be very glad to have such topics sent in to them some time during the year, and we would then endeavor to find one who will write a paper on the subject that will be interesting to all. We ought to have more members. You will remember the trouble we had in New Orleans last year in getting any organization. This year we have a great many more, and I am very much pleased to see it. We have now about five hundred members, and I hope that next year that number will be

doubled, and when you meet next year we will see a great many more than are present here. I thank you heartily for the honor conferred upon me. (Applause.)

RESOLUTION OF THANKS.

Mr. Otis: I would like to offer a resolution of thanks to the retiring officers for the services rendered during their term of office; and I, therefore, offer such a resolution, and make the motion that it do pass.

The motion was duly seconded, the question put, and carried.

AN OFFICIAL READER SUGGESTED.

Mr. Parker: Mr. President, I wish to make a suggestion. We know that the author of a paper who is familiar with it is likely to throw a little more spirit and emphasis into the reading of it than where the paper is read by proxy. In many official bodies with which I am connected, we find it necessary to appoint an official reader, and I would suggest that the officers of the Association hereafter take that matter into consideration, so that in going from city to city and suffering the disadvantages of the poor acoustic properties of the buildings in which we meet, that we may have an official reader. He can be chosen in whatever city we come into, and then we can hear every paper read with distinctness. We travel long distances, and we have had admirable papers presented to-day, but we have not heard them perfectly. It is a long time to wait for them to be printed; and I make the suggestion without expecting any action to be taken upon it. (Applause.)

Mr. Tuttle: I can assure you that the question will be considered by the Executive Committee.

Mr. Latimer: I just want to emphasize what Mr. Parker has said, for I know that he takes a great interest in the work of the savings banks, and in their Association. I quite agree with him.

The Chairman (Mr. Tuttle): Gentlemen, I now declare this Convention adjourned.

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